

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

WEATHER DATA APPEAR ON PAGE 16

No. 31,497

PARIS, SATURDAY-SUNDAY, MAY 26-27, 1984

ESTABLISHED 1887

## Deng Says China Will Base Troops in Hong Kong in 1997

Compiled by Our Staff From Dispatches

BEIJING — Deng Xiaoping, China's paramount leader, said Friday that Beijing would send troops to Hong Kong after regaining sovereignty over the British colony in 1997.

Mr. Deng's remarks, to Hong Kong and Macao delegates to the Chinese parliament, were his first public statement on China's military intentions, and they contradicted a Chinese official's earlier statement that Beijing would not base troops in Hong Kong.

Reports of Mr. Deng's comments prompted a sharp rise in Hong Kong stock markets, with the Hang Seng index dropping 20.21 points to 902.79 at the close of trading.

Mr. Deng's statement will come as a blow to some of the colony's 5.3 million residents, who had been seeking guarantees that China would not station troops there after regaining sovereignty.

China has promised that Hong Kong will become a special administrative region of the People's Republic administered by local inhabitants and with a high degree of autonomy in 1997.

London and Beijing are holding talks on the terms on which Britain will hand back power and on ways of protecting the personal liberties of Hong Kong residents.

Radio and television stations in Hong Kong quoted Mr. Deng as saying China plans to send 3,000 to 5,000 troops to Hong Kong after Britain's lease on most of the colony expires.

A Chinese Foreign Ministry spokesman said, "Chairman Deng Xiaoping said that after restoring the exercise of sovereignty over Hong Kong, China will dispatch its troops to be stationed there."

But the Foreign Ministry version of Mr. Deng's statement did not give any figures.

At the British Embassy in Beijing, officials said they would have no comment until they studied the new statement. But other Western analysts in Beijing said that there was no way China could agree to station troops in Hong Kong.

Sir Geoffrey Howe, Britain's foreign secretary, said in Paris that it was "incoercible" that the strengthening of the EC's constitution to allow expanded cooperation, as Mr. Mitterrand proposed Thursday, would proceed without Britain.

He also said that, for the foreseeable future, Britain will remain the EC's second largest net contributor after West Germany.

Mr. Mitterrand, in a speech Thursday before the European Parliament in Strasbourg, suggested that countries not interested in expanding EC cooperation — an allusion to Britain — could choose to remain outside the efforts to develop greater integration. Such efforts, he said, could extend to such areas as foreign policy, industry, communications, education and combating terrorism.

Mr. Mitterrand spoke of a "multi-speed Europe." This, he said, would mean that the states that wanted further European integration could proceed among themselves, while other countries would be free not to take part.

But Sir Geoffrey, in a meeting with reporters following a speech at the Franco-British Chamber of Commerce and Industry in Paris, emphasized that Mr. Mitterrand's references could not apply to Britain.

"There can be no question of our being a separate breed, or there being new fragmentation in Europe into sheep and goats, because it makes no sense," he said.

Sir Geoffrey also said that cooperation among European governments and industries, including Britain, was already moving at different levels and speeds, sometimes outside the EC. As an example, he cited the Airbus jet consortium, which, in addition to Britain and France, includes West Germany and Spain. Spain is not an EC member.

Britain has been, and intends to remain, in the "vanguard" of such projects, he said.

In his speech, Sir Geoffrey said: "The British government is deter-

when Britain finds it necessary to keep armed forces there now.

Mr. Deng's remarks contradicted a statement on May 21 by Geng Biao, vice secretary-general of the National People's Congress, that Chinese troops would not be stationed in Hong Kong. Mr. Geng, a former defense minister, said local residents would have responsibility for defense.

In Hong Kong, Mr. Deng was said to have strongly attacked the remarks by Mr. Geng and by the former foreign minister, Huang Hua. Mr. Huang also said that Chinese forces would not be sent to Hong Kong in 1997.

Hong Kong reporters quoted Mr. Deng as saying: "I want to refute a rumor. Both Huang Hua's and Geng Biao's words were nonsense. What they said on stationing troops in Hong Kong was not the view of the Central Committee."

The news agency Xinhua quoted Mr. Deng as adding: "Why should we not station our troops there, since it is Chinese territory?"

According to the agency, Mr. Deng asked: "How can Hong Kong be described as Chinese territory if we don't have the right to station troops there?"

(Reuters, AP)

■ **Britain Seeks Assurances**

The British government said Friday that it was pressing for assurances on the job security of police and civil servants in Hong Kong after the transfer of sovereignty over the colony to China in 1997.

Richard Luce, minister of state at the Foreign Office, told Parliament a steady evolution of Hong Kong's representative institutions before 1997 would also help strengthen the confidence of its population.

Mr. Luce, responding to a short debate on "confidence-building measures for Hong Kong," said he could give no details of the confidential talks between Britain and China. But he added: "The government's aim in these talks is to maintain the maximum possible degree of continuity after 1997 in the public services and other areas."

At 73, Fuad Scraggedin has come out of forced political retirement after 32 years to lead the New Wafd Party back onto the stage of Egyptian politics in this Sunday's elections for the 438-seat People's Assembly.

With his huge bulk, heavy jowls, thinning grey hair and seemingly footling cigar, Mr. Scraggedin evokes the prototype of the Tammany Hall boss and the traditional Egyptian pasha, the latter of which he clearly is.

Imperious in tone and short-tempered with his party aides, Mr. Scraggedin strikes a strange and not altogether reassuring figure as the chief symbol of Egypt's leap into multiparty democracy.

His name, like his party, is a code word for a return to pre-1952 Egypt — before the revolution led by Gamal Abdel Nasser swept away King Farouk, the monarchy and the country's ruling landed aristocracy and banned all parties.

The reappearance of Mr. Scraggedin and the Wafd Party, which led the nationalist struggle against the British from 1919 to 1952 and dominated politics, has electrified the campaign.

While supporters of the 1952 revolution have tried in vain to establish a reactionary party, its leaders are presenting it as the original incarnation of Egyptian nationalism and tapping the public desire for a change in the de facto "one-party democracy."

This for the first time in 32 years, the ruling party, the National Democratic Party, finds itself seriously challenged by a grassroots organization as legitimate for many Egyptians as any the nation has known.

The Wafd's re-emergence is part of President Hosni Mubarak's bold strategy to establish himself as a popular leader in his own right, like Nasser and Anwar Sadat before him, by restoring a degree of real democracy. In so doing, Mr. Mubarak has taken his first risky decision since coming to power after Sadat's assassination in 1981.

In late April, he promised Egyptians that "we are going to hold free, honest and sincere elections... unprecedented in Egypt for the past 60 years."

He has backed up these words by allowing the four opposition parties to hold public rallies and publish their own newspapers as well as sending instructions to his minister of interior, Hassan Abu Basma, to keep the police from interfering or rigging the results.

The Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,



**BOMBAY DUTY** — Troops patrolling the Govandi area of Bombay Friday after Hindu-Muslim riots. Two bomb explosions injured 10 persons in the city Friday and more army reinforcements were sent. Page 4.

## U.S. Fears Iranians Plan to Attack Saudi Oil Fields

By Bernard Gwertzman

New York Times Service

WASHINGTON — Reagan administration officials have reportedly told members of Congress that, according to some intelligence analysts, Iran may be planning to widen the Gulf war by attacking Saudi Arabian oil fields and sending suicide planes against oil tankers.

Congressional staff members said Thursday that the officials had cited such reports as support for the tentative administration decision, disclosed Wednesday, to provide Saudi Arabia with 1,200 port-

hile Stinger anti-aircraft missiles. These staff members said 200 missiles would be provided immediately and 1,000 later.

They said the first 200 missiles, accompanied by 100 launchers, would be provided to Saudi Arabia through the president's emergency powers and would not have to be delayed for a 30-day congressional review.

Iran has no plans to involve Saudi Arabia and Kuwait in the Iran-Iraq war provided they stay out of the conflict, according to Hajatollah Hashemi Rafsanjani, speaker of Iran's parliament, Reuters reported Friday from Tehran.

The House speaker, Thomas P. O'Neill Jr., said Thursday that "there is going to be an escalation of the war after June 1."

Mr. O'Neill, a Massachusetts Democrat, who had a closed-door briefing on Tuesday from Secretary of State George P. Shultz, added that he could not say more on the subject. But he said the United States should not get involved in the Gulf conflict except in concert with Britain and France.

A State Department official said later that intelligence analysts had asserted that Iran might launch a major ground attack against Iraq during Ramadan, the Muslim

month of dawn-to-dusk fasting, which begins about June 1. Iranian forces, estimated to total hundreds of thousands of men, are said to have been massed near the Iraqi border for months.

Other officials said the intelligence analysts had warned that the conflict could also be widened by an Iranian attempt to destroy the oil fields of Saudi Arabia, which backs Iraq in the war, or by an Iranian decision to send suicide flights of small planes carrying heavy explosives into tankers in the Gulf.

The officials said such moves could lead to a Saudi decision in

retaliate in strength, using American-made F-15s against Iranian installations. The officials said, however, that they thought it was unlikely that the situation would worsen to a point at which the Saudi Arabians might ask the United States to introduce naval and air power to help them.

The Iraqis also seem to be talking of increasing the fighting. On Tuesday, President Saddam Hussein said the "day is coming closer" when Iraq will have the weapons to destroy the Iranian oil terminal at Kharg Island and other major Iranian ports and oil installations.

A Western diplomat in Washington said Thursday that he understood that the Iraqis were in receipt of medium-range SS-21 missiles with conventional warheads from the Soviet Union. These are said to have a range of several hundred miles and are an improved version of earlier, less-accurate missiles.

Last year, the Soviet Union provided the SS-21 to the Syrians, the first time the weapon had been introduced into the Middle East.

The U.S. secretary of energy, Donald P. Hodel, said Thursday that if tensions in the Gulf were to lead to a substantial oil shortage in Europe and Japan, the United States would open the sale of its strategic oil reserves to foreign bidders. The reserve program is designed to ensure up to 750 million barrels of crude oil in underground caverns to be used in the event of a significant worldwide oil shortage.

The current level of reserves is 400 million barrels, Mr. Hodel said.

Mr. Shultz and other administration officials have been consulting with leaders of Congress on the sale of the Stingers to Saudi Arabia, in the hope of avoiding a dispute. Last March, after the administration announced plans to provide Saudi Arabia with 1,200 Stingers, the decision was canceled after congressional opposition arose to the Jordanian sale.

The Stingers would be used, the officials said, to protect the Persian Gulf from the possible loss in Coptic votes.

Many Egyptians attending Wafd rallies here in the capital this week seemed less interested in who is included on the party's list than in voting for a party that could serve as a real opposition in the People's Assembly.

"People just want a change," said a Cairo taxi driver. "That's all, we just want a change."

(Continued on Page 2, Col. 2)

## Wafd Leader Stirs Up Egypt's Politics

'Grand Old Man' Symbolizes Leap to Multiparty Democracy

By David B. Ottaway

Washington Post Service

CAIRO — The buildup is long and has been carefully stage-managed, with party candidates and other notables following out his praises and that of the party for an hour or two before his arrival.

Fiery speeches are interspersed with campaign jingles and outbursts of rhythmic clapping until the crowd is worked up to a fever pitch of excitement and impatience.

Finally, "the grand old man" appears and the crowd breaks into a deafening roar of "Where is the press, here is the leader!"

At 73, Fuad Scraggedin has come out of forced political retirement after 32 years to lead the New Wafd Party back onto the stage of Egyptian politics in this Sunday's elections for the 438-seat People's Assembly.

With his huge bulk, heavy jowls, thinning grey hair and seemingly footling cigar, Mr. Scraggedin evokes the prototype of the Tammany Hall boss and the traditional Egyptian pasha, the latter of which he clearly is.

Imperious in tone and short-tempered with his party aides, Mr. Scraggedin strikes a strange and not altogether reassuring figure as the chief symbol of Egypt's leap into multiparty democracy.

His name, like his party, is a code word for a return to pre-1952 Egypt — before the revolution led by Gamal Abdel Nasser swept away King Farouk, the monarchy and the country's ruling landed aristocracy and banned all parties.

The reappearance of Mr. Scraggedin and the Wafd Party, which led the nationalist struggle against the British from 1919 to 1952 and dominated politics, has electrified the campaign.

While supporters of the 1952 revolution have tried in vain to establish a reactionary party, its leaders are presenting it as the original incarnation of Egyptian nationalism and tapping the public desire for a change in the de facto "one-party democracy."

This for the first time in 32 years, the ruling party, the National Democratic Party, finds itself seriously challenged by a grassroots organization as legitimate for many Egyptians as any the nation has known.

The Wafd's re-emergence is part of President Hosni Mubarak's bold strategy to establish himself as a popular leader in his own right, like Nasser and Anwar Sadat before him, by restoring a degree of real democracy. In so doing, Mr. Mubarak has taken his first risky decision since coming to power after Sadat's assassination in 1981.

In late April, he promised Egyptians that "we are going to hold free, honest and sincere elections... unprecedented in Egypt for the past 60 years."

He has backed up these words by allowing the four opposition parties to hold public rallies and publish their own newspapers as well as sending instructions to his minister of interior, Hassan Abu Basma, to keep the police from interfering or rigging the results.

The Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,

the Wafd's reappearance has set the scene for a Wafd-led opposition that may be strong enough to force substantial changes in government economic and social policies.

It is running a list of candidates in 44 of the 48 electoral districts, fielding 432 candidates against the National Democratic Party's 448. The other 10 deputies are appointed directly by the president.

Although it is not expected to get a majority of the votes on Sunday,



Fuad Scraggedin

up for the possible loss in Coptic votes.

Many Egyptians attending Wafd rallies here in the capital this week seemed less interested in who is included on the party's list than in voting for a party that could serve as a real opposition in the People's Assembly.

"People just want a change," said a Cairo taxi driver. "That's all, we just want a change."

(Continued on Page 2, Col. 2)

## El Salvador Reassigns Rightist Officers Abroad

Washington Post Service

SAN SALVADOR — The military has announced that the head of the Treasury Police and an army provincial commander, both of whom have been linked to rightist death squads, have been ordered transferred abroad.

The Treasury Police chief, Colonel Nicolas Carranza, is the highest ranking and most influential officer to lose his post since the transfers of suspected death squad leaders began in November under U.S. government pressure.

The military ordered the transfers Thursday in part to satisfy U.S. demands and in part to conciliate to President-elect Jose Napoleon Duarte, military sources said.

The transfers were expected to be only partly satisfactory to Mr. Duarte's moderate Christian Democratic Party, which has sought removal of at least three other rightist officers, political sources said.

Colonel Carranza, 51, was assigned to be military attaché in West Germany, a military announcement said. He has been identified by sources cited in American news reports both as a senior figure in the death squads and as a \$90,000-a-year paid informant for the CIA. He has denied both allegations.

Colonel Reynaldo Golcher, director of an armed forces research center, will replace Colonel Carranza as head of the Treasury Po-

lice. Until September, Colonel Golcher presided over a U.S.-sponsored pacification program in San Vicente province.

The other officer ordered transferred, Lieutenant Colonel Mario Denis Moran, the army commander in southern La Paz province, was assigned to the staff of the Inter-American Defense College at Fort McNair in Washington.

Colonel Moran has been linked to death squad activity by U.S. and Salvadoran sources and is suspected of having helped in cover up the January 1981 killings of two U.S. land-reform advisers.

The U.S. government has pressured Salvadoran authorities to prosecute an officer close to Colonel Moran who allegedly ordered the killings. So far, the U.S. efforts have been unsuccessful.

The Treasury Police is one of El Salvador's three security forces and has the reputation of being the most ruthless. It lost its long-time chief of intelligence, Major José Ricardo Pozo, in November after U.S. officials pressed for his transfer because of his alleged ties to the death squads. Major Pozo was sent into diplomatic exile in January as military attaché in Paraguay.

Colonel Carranza is a close associate of the rightist political leader, Roberto D'Aubuisson, the former army major who lost to Mr. Duarte in the presidential runoff election on May 6.

Mr. Duarte has had poor relations with Colonel Carranza since they clashed when Mr. Duarte headed the ruling junta from 1980 to 1982 and Colonel Carranza was deputy defense minister.

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement in the West Bank is called into question by the trial of suspected Israeli terrorists. Page 2.

A Federal Reserve unit voted in tight position. Page 11.

David Stevens reports on the Vienna State Opera, which is expanding its Alban Berg repertoire for his centenary. Page 5.

Special Report

Domestic problems are worsening the stagnation of the United Arab Emirates. A Special Economic Report. Page 7.

Israel's policy of settlement



# Terrorism Case Confronts Israel With Reality of Settler Policy

By Edward Walsh  
Washington Post Service

JERUSALEM — The indictment of more than two dozen Israelis on charges of terrorism against Arabs in the West Bank has confronted the Israeli government with some of the consequences of its determination to populate the occupied territory with as many Jews as possible.

For years, Israeli governments have subsidized and encouraged the settlers, sending them into an area of about 800,000 Arabs, at first to populate a series of security outposts and more recently as part of a drive to absorb the territory into Israel.

Because much of the Arab population was hostile, the settlers were expected to defend themselves, and they often interpreted the law on the spot. It was a cheap and convenient solution for a government that wanted to send Jewish settlers into a largely hostile territory without providing a military presence to protect them.

Many settlers needed neither encouragement nor subsidies to settle the West Bank. Driven by the belief that the territory was given by God to the Jewish people, they were the vanguard of the settlement movement.

The Labor Party governments of the 1970s were ambivalent toward the militant settlers, disdaining their tactics while remaining committed to the principle of Jewish settlement of the West Bank. Often, the Labor governments gave in to their demands rather than confront the vanguard settlers.

With Likud bloc government coming to power in 1977, militant settlement tactics received official government blessing. They soon pushed the settlement ideology to an extreme, moving into the center of the Arab city of Hebron while planning for their next target, Nablus, the West Bank's largest Arab city and a center of Palestinian nationalism.

It was such militants who are now charged as terrorists of a Jewish underground. The charges against the suspects, whose number rose to 27 Thursday with two more indictments, include murder, attempted murder and membership in a terrorist organization.

A court order has banned publication of their names, but they include decorated Israeli war heroes, at least two senior officers in the regular army and other figures from the settlement movement.

"Everybody could say before this was really the work of the lunatic fringe," said Elyakim Haetzni, a lawyer from the settlement of Kiryat Arba who is representing some of the suspects. "Today it is no longer possible to say that."

## NEWS ANALYSIS

Some settlers, like Efraim Zuroff, 35, an American-born Jew who moved last year to the West Bank settlement of Efrat, have called for a "re-education" program by the Gush Emunim, or Bloc of the Faithful, movement to which most of the suspects belong.

Mr. Zuroff said that within the most ideological of the settlements, such as Kiryat Arba, there is an atmosphere of isolation and religious extremism that threatens the whole settlement movement.

"I tend to think that the underground that will be created by the children who grow up in these settlements will be 10 times worse than this," he said.

But in Kiryat Arba, Mr. Haetzni blamed the government for the increase in terrorist attacks on Arabs. "The government is responsible," he said. "We are like a lightning rod... The people of Israel put the settlers in the first line of battle, in the town of Hebron. Today there are 15 Jewish families living there among 60,000

Arabs, left there without protection. The situation has apparently driven them to the point of despair."

The one thing that neither the settlers, the government, nor even the Labor Party opposition, has questioned is the wisdom of the settlement movement itself. Central to the beliefs of many of the committed but less militant of the settlers is the conviction that eventually the Arabs will give up all resistance, so that they, or at least their children, can look forward to life in a tranquil and Jewish-dominated West Bank.

There is no evidence that the most militant of the settlers are prepared to change their tactics or that the government is weakening in its support for their cause.

West Bank Rabbi Is Freed

Rabbi Eliezer Waldman, who heads the Kiryat Arba settlement yeshiva, or Jewish studies college, was released by police Friday after a 48-hour detention in connection with the terrorism case, United Press International reported from Jerusalem.

Rabbi Waldman is a candidate of the rightist Tehiya party in the July 23 general elections. The party's leader, Science Minister Yuval Neeman, named Prime Minister Yitzhak Shamir on Thursday he would resign from the cabinet unless the rabbi were released.

## Israelis to Oppose Sale Of U.S. Missile to Saudis

New York Times Service

TEL AVIV — Israel will oppose the Reagan administration's plan to try again to sell Stinger anti-aircraft missiles to Saudi Arabia, according to a spokesman for Prime Minister Yitzhak Shamir.

The official said Thursday night that there was a danger that the weapons, which were accurate and deadly, might reach the forces of the Palestine Liberation Organization. The missiles, which are fired from the shoulder, are mobile and easy to handle.

The spokesman, Avi Passer, said that "we shall certainly take the matter up." He declined to go into details. The proposed \$140-million transaction could be made by President Ronald Reagan notifying Congress of the planned sale 30 days in advance or by invoking a special provision that would allow him to provide military equipment immediately when he deems it to be in the national interest.

In March, the United States canceled plans to sell 1,400 Stingers to

Saudi Arabia and 1,600 to Jordan because of opposition by Israel's supporters in the Congress.

The Israeli official said when the Israelis invaded Lebanon in 1982 they discovered that the PLO was using American weapons that had been sold to Saudi Arabia.

He said "a very dangerous situation would be created if the Stingers fall into what he called 'irresponsible hands.' The official said Israel had always opposed the sale of advanced weapons to Arab countries hostile to Israel.

The Saudi Arabians, Mr. Passer said, had participated in all the wars between Arabs and Israel. He acknowledged that Saudi participation had been limited but said that "the reason was that they didn't have the weapons."

Mr. Passer dismissed the argument that the Saudi Arabians needed the weapons to protect oil tankers in the Gulf. "We know from past experience the Saudis never turned their arms against anybody but Israel," he claimed.



A U.S. soldier demonstrates the Stinger missile.

## Saudis Seen as Reluctant To Challenge Iranians

By Fred Hiatt

Washington Post Service

WASHINGTON — Saudi Arabia has a more capable and modern air force than Iran and, as the Gulf war escalates, faces a problem that is more political than military, according to U.S. officials.

Their assessment has led to Defense Department insistence that Saudi Arabia and its allies attempt to defend themselves, if necessary, before seeking U.S. help. U.S. Navy ships assigned to the Gulf are being kept out of areas of potential trouble, the officials said Thursday.

However, these officials and other experts also acknowledge that, even with U.S. support in intelligence and logistics, Saudi Arabia and its allies would have difficulty defending against sporadic surprise attacks by air and sea. Saudi Arabia has been flying F-15 patrols recently but found it impossible to keep aircraft aloft at all times, officials said.

In addition, many observers said, Saudi Arabia is reluctant to confront Iran for fear of provoking a wider and uncontrollable conflict and of inciting fundamentalist Muslims in Saudi Arabia. Saudi rulers are said to fear that the fundamentalists' sympathy for Ayatollah Ruhollah Khomeini of Iran could threaten the stability of the Saudi kingdom if the two countries went to war.

"I think the Saudis might actually be able to do reasonably well against what's left of the Iranian Air Force," said Thomas L. McNaughton, a Gulf expert at the Brookings Institution, a private research group. "But the Saudis are desperately trying not to use their air force," he added. "The issue is political, and do they want to get in a tiff with the Iranians, and the answer is clearly not."

Mr. McNaughton said Iran was probably equally reluctant to tangle with Saudi Arabia, which would widen its war with Iraq and damage its oil exports. But he said that Saudi Arabia could not prevail on Iraq to stop attacking tankers calling at Iranian ports, Iran was likely to continue pressuring Saudi Arabia with occasional retaliatory strikes.

In that case, he said, Saudi Arabia may be forced to respond, although officials said they first attempt is likely to involve deterring attacks with air patrols, naval escorts and declared free-fire zones off its coast. Saudi Arabia has the advantage of U.S.-owned and operated Airborne Warning and Control System (AWACS) reconnaissance aircraft patrolling from Saudi Arabia.

In recent years, Saudi Arabia has bought billions of dollars in U.S. arms, including 62 top-line F-15 fighters armed with radar-guided Sparrow and heat-seeking Sidewinder missiles.

By comparison, Iran's provided air force has deteriorated steadily since the fall of Shah Mohammed Reza Pahlavi in 1979. Although no one knows for certain, most experts estimate that Iran has 50 to 70 working military aircraft.

Iran's force suffers from lack of spare parts and proper maintenance but can boast experienced pilots. The Saudi Air Force is backed by hundreds of U.S. government and corporate personnel keeping the sophisticated aircraft in working order and by U.S. pilot training, but it has never been tested in combat.

## Sakharov, Wife May Be Close to Death, U.S. Says

United Press International

WASHINGTON — The State Department said Friday that the Soviet dissident Andrei D. Sakharov and his wife, Yelena G. Bonner, who are on a hunger strike, may be near death.

A spokesman said the length of the hunger strike could indicate a critical situation. The spokesman referred to the Sakharovs in announcing the death of a Ukrainian human rights activist, Oleksiy Tykhly, in a Soviet labor camp. Cause of death was not made public.

Mr. Sakharov, 63, began a hunger strike May 3 to pressure Soviet authorities to allow his wife to travel to the West for treatment of a heart condition.

## Reagan Honors Unknown Vietnam GI

WASHINGTON (AP) — President Ronald Reagan paid tribute Friday to an unknown American serviceman who died in Vietnam and whose remains will be laid to rest on Monday. Memorial Day, at Arlington National Cemetery's Tomb of the Unknowns.

"He is the heart, the soul and the spirit of America," the president said at a ceremony in the Capitol Rotunda, where the soldier's body had been brought. "An American hero has returned home."

The soldier's remains had been in U.S. custody in Hawaii for 10 years, during which the government tried to identify him. A total of 58,012 Americans were killed in the Vietnam War, and about 2,500 are still listed as missing in action.

## No Progress in German Strike Talks

BONN (Reuters) — West German employers and trade unions held long talks Friday in an attempt to end a wave of strikes for a shorter working week, but virtually no progress was made.

A local negotiator for the IG Metall union in the southwestern city of Stuttgart, where the talks were held, said, "We are still marking time."

There has been no narrowing of differences. The strikes, which started 13 days ago, have left more than 250,000 workers idle and have severely disrupted car production. Friday night, the Opel subsidiary of General Motors was due to shut down its assembly lines in the northwestern city of Bochum because of lack of parts, a move that will affect up to 18,500 employees.

## NATO Chief Criticizes Funding Move

BRUSSELS (Combined Dispatches) — Members of the North Atlantic Treaty Organization are failing to meet its military requirements by slowing the increase in spending for conventional forces, General Bernard W. Rogers, NATO's supreme commander in Europe, said Friday. General Rogers, speaking at a forum sponsored by the Center for European Policy Studies in Brussels, criticized what he called "wishful thinking" among European and U.S. political leaders that economic strains in the Soviet Union would force Warsaw Pact countries to slow their military buildup.

He said spending goals set last week by NATO defense ministers were a step "in the wrong direction," and called for spending increases of at least 7 percent after inflation. The defense ministers agreed to require an average yearly increase of 3.2 percent for each member through 1990. This compared with a 4.0-percent average increase in the previous planning period, General Rogers said. (AP, Reuters)

## Dutch Cabinet Meets on Deployment

THE HAGUE (Reuters) — The Dutch cabinet held its first full meeting Friday on whether to deploy 48 cruise missiles in the Netherlands, and Prime Minister Ruud Lubbers said the ministers had reached no decision.

But political sources said a clear majority in the cabinet favored deployment. All the ideas raised at the meeting included some form of conditional approval of the missiles.

Mr. Lubbers said he planned private talks this weekend with Foreign Minister Hans van den Broek, a leading supporter of deployment, and next week with Defense Minister Jacob de Ruiter, the main opponent. The Netherlands is the last of five nations of the North Atlantic Treaty Organization to decide on deploying medium-range nuclear missiles as part of a joint response to Soviet SS-20 missiles.

## EC to Share Out North Sea Fish Catch

BRUSSELS (Reuters) — European Community fisheries ministers agreed Friday to share out 155,000 metric tons of North Sea herring, thus raising escalation of a dispute with Norway which jointly controls the stocks, officials said.

The ministers set provisional herring catches for EC boats this year despite failure of talks with Oslo on dividing the total 230,000 metric tons of herring likely to be available.

Norway has said that EC fishing boats caught 174,000 metric tons of herring in 1983 — more than the 84,300-ton quota set last year — and it insisted on compensation before the EC started dividing the catch among its fleets this year. Thor Liestad, the Norwegian minister of fisheries, said Friday that the Brussels decision could end his country's cooperation with the European Community over fishing in the North Sea.

## Haitians Riot Against Duvalier's Rule

PORT-AU-PRINCE, Haiti (UPI) — Haitians shouting "Down with hunger, down with misery" rioted for two days in the city of Gonaïves against the government of Jean-Claude Duvalier, witnesses said.

Soldiers enforced an overnight curfew Friday in Haiti's fifth largest city, which was reported by witnesses to be under military occupation. Witnesses in the west coast city reported "numerous arrests and several people dead," although it was impossible to determine how many because the government restricted coverage of the disturbances.

The disturbances erupted Wednesday, reportedly because of the public beating of a woman by a policeman, and expanded into widespread demonstrations against the government, residents said by telephone. "It is the first real rebellion against Duvalier," a resident of Gonaïves said. Tension has increased since the Feb. 8 general elections when political opponents were prevented from running for office.

## Confidence Vote Is Stalled in Lebanon

BEIRUT (Reuters) — Prime Minister Rashid Karami received two setbacks Friday when Lebanese parliamentary leaders refused to meet to give his cabinet a confidence vote and fighting broke out again in and around the capital.

The legislators said it was still too dangerous to convene for a debate on whether to give the national unity government parliamentary approval before the cabinet can begin its work.

Meanwhile, fighting broke out Friday night on the Green Line dividing the Christian and Moslem sectors of Beirut. The rightist Phalangist radio, broadcasting from Christian East Beirut, said shells were also landing on Christian suburbs away from the main battle zone, to the southeast of the capital.

## School Reform Bill Passed in France

PARIS (AP) — A private-school reform bill was adopted automatically Friday by the National Assembly after opposition deputies failed in their attempt to censure the Socialist-led government on the issue.

Opposition deputies were only able to get 159 of the 246 votes necessary to censure the government of Prime Minister Pierre Mauroy. Under parliamentary rules, failure of the censure motion, which would have brought down the government had it passed, made a vote on the schools bill unnecessary.

The reform provides for phasing out state subsidies to private schools. Within eight years, subsidies will be curtailed to private schools in which fewer than half the teachers are government-licensed. Opponents have called for protest demonstrations throughout the country.

## For the Record

A federal judge in White Plains, New York, announced a \$48.5-million settlement of the civil suits stemming from the fire at a Stouffer's Inn that killed 26 executives. The families of the executives as well as the 14 persons who were injured in the 1980 fire will share the award. (NYT)

West Germany and France will sign an agreement Monday in Paris on joint development of a new generation of anti-tank helicopters with infrared technology for night combat, it was announced Friday in Bonn. (Reuters)

Six ethnic Albanians in Yugoslavia were sentenced Friday in Belgrade to prison terms of 4 to 13 years for anti-state activities and smuggling arms into the country, bringing to nearly 700 the number of people jailed following Albanian nationalist riots in Kosovo province in 1981. (Reuters)

Ferry services to and from all British ports will be stopped May 30 and 31 by a strike called by the National Union of Seamen to protest the Conservative government's planned sale of Sealink, which operates cross-Channel ferries as part of state-owned British Rail. (Reuters)

Gabriella Treshin of Italy has been freed after serving little more than a year of her three-year prison sentence for photographing military sites, Bulgaria's state-run BTA agency said Friday. (AP)

Ethiopian MFG fighters bombed and strafed the village of Abudawa in central Somalia in the third cross-border Ethiopian air raid in five months, Radio Mogadishu said Friday. (UPI)

Japan and Brazil signed a science and technology pact Friday during a visit to Japan by President João Baptista Figueiredo, it was announced in Tokyo. (UPI)

Hundreds of thousands of travelers endured the second day of a 48-hour rail strike in France on Friday, but officials said more trains were expected to run than Thursday. (Reuters)

Alexander Solzhenitsyn, 65, the exiled Soviet author and Nobel Prize winner, was awarded an honorary degree by Holy Cross College in Worcester, Massachusetts, on Friday. He made no speech. It was believed to be his first public appearance since June 1978. (AP)

## Navy Downs Exocets in U.S. Ship Test

By Fred Hiatt

Washington Post Service

WASHINGTON — The U.S. Navy tested its ship defenses against Exocet missiles, which fly close to the water, during the last two weeks and knocked down three of four, military officials say.

The French-made Exocet was used effectively by Argentina against British ships during the Falkland Islands war of 1982 and is now being used by Iraq against unarmed oil tankers in the Gulf.

Congressional critics of the Reagan administration's naval buildup frequently cite the Exocet as the best example of new technology threatening the usefulness of surface ships.

Navy officials were pleased that their Phalanx weapon system successfully engaged the Exocets, sources said Thursday. The Phalanx is a modern Gatling gun used against targets at close range that fires 3,000 rounds a minute. It uses ammunition made of nonradioactive uranium because it is dense and flammable.

The Navy officially declined to discuss the results of the tests, reportedly for fear of antagonizing the French or British allies.

The tests represented the Navy's second effort in recent weeks to show that its ships can defeat sea-skimming missiles, the most difficult of spot with radar.

The cruiser Ticonderoga recently conducted several tests of its Aegis radar system against sea-skimmers. Admiral James D. Watkins, chief of naval operations, called those tests a major success.

The tests of Exocets, conducted on a weapons range off the West Coast, pitted a British destroyer firing Exocets against an old U.S. destroyer defended by a Phalanx gun. Three Exocets, including one flying only eight feet (2.4 meters) above the water, were destroyed by the Phalanx.

## Seoul to Hospitalize Man In Mock Attack on Pope

The Associated Press

SEOUL — Lee Joon Kyu, the South Korean who fired a toy pistol near Pope John Paul II during his visit here on May 6, will be hospitalized and treated for schizophrenia and will not be indicted, city prosecutors said Friday.

Mr. Lee, 22, fired his toy gun at the bulletproof papal vehicle during a motorcade in Seoul.

## Iraq Claims It Hit 8 Vessels in Gulf

(Continued from Page 1)

an threats to close the Strait of Hormuz. It would be militarily difficult and it would soon be reopened with the help of the major powers," Mr. Yamani said, a reference to a U.S. pledge to keep the Strait open.

But in London, a senior Lloyd's official said at a press conference that any move by Lloyd's to refuse coverage to ships willing to risk the voyage to the Gulf was unthinkable.

"I see no practical possibility of cancellation or that insurance would be unavailable to and from Gulf ports," said the official, Stephen Merritt.

The White House press secretary, Mr. Spokes, was reminded by reporters Friday that President Ronald Reagan had pledged in February "to do what is necessary" to keep open the Strait of Hormuz, which leads into the Gulf.

He replied: "The point is we're doing what we can and we're doing

what we feel is necessary. There's no backing off."

Mr. Spokes said Mr. Reagan had discussed events in the Gulf for 20 minutes Friday with Defense Secretary Caspar W. Weinberger, Secretary of State George P. Shultz, his national security adviser, Robert C. McFarlane, and others.

Mr. Spokes also said that Prince Bandar bin Sultan, the Saudi ambassador to the United States, met Friday with officials on the National Security Council staff.

On Thursday, a State Department spokesman said that in Thursday's attack, an Iranian F-4 Phantom fighter hit Chemical Venture, a Libyian-registered tanker, with a missile, and that Saudi Arabia fighters had chased the Iranian aircraft. This supported reports received by Lloyd's in London.

But the State Department report was denied by the Saudi Arabians, possibly, according to Gulf analysts, because they did not want to give the impression of being involved in the conflict.

Perhaps for the same reason, the analysts said, Riyadh radio on Friday quoted Saudi officials as saying the Chemical Venture had been hit outside Saudi waters. Most shipping sources had said it was within these waters.

Friday's statement in Baghdad, as usual, did not specify the types of vessels involved but said they had been sailing in convoy. The Iraqi Navy and Air Force set all of them ablaze, the statement said.

It added that the attack proved Iraq's ability to blockade all Iranian ports at the head of the Gulf and to destroy any vessel that tried to approach them.

Mr. Weinberger confirmed Friday that the administration was considering supplying Saudi Arabia with Stinger portable anti-aircraft missiles to help defend ships.

In Tehran, the speaker of Iran's parliament, Hashemi Rafsanjani, said Thursday that Iran did not intend to expand the war to involve Saudi Arabia.

(AP, UPI)

## Craxi Repeats Backing for Spain in the EC

Reuters

MADRID — Prime Minister Bettino Craxi of Italy reaffirmed Friday his support for Spanish entry into the European Community and said he hoped Spain would remain a member of NATO.

"While respecting the sovereignty of the Spanish state we repeat our opinion, in which we also have an interest, that Spain should be in the European Community and in the Atlantic alliance," Mr. Craxi said at the end of a two-day working visit to the Spanish capital.

His statement echoed similar remarks made in Madrid last week by Chancellor Helmut Kohl of West Germany, who also explicitly linked the two issues.

Spain's Socialist government, which is seeking EC membership in 1986, is committed to holding a referendum within the next two years on staying in the North Atlantic Treaty Organization.

Prime Minister Felipe Gonzalez is banking on a breakthrough in the community negotiations to help him persuade Spaniards to remain in NATO, but he repeated Friday that a decision on the alliance was a matter of national sovereignty.

Madrid last week by Chancellor Helmut Kohl of West Germany, who also explicitly linked the two issues.

Spain's Socialist government, which is seeking EC membership in 1986, is committed to holding a referendum within the next two years on staying in the North Atlantic Treaty Organization.

Prime Minister Felipe Gonzalez is banking on a breakthrough in the community negotiations to help him persuade Spaniards to remain in NATO, but he repeated Friday that a decision on the alliance was a matter of national sovereignty.

## Leader Asks More Power for EC Parliament

Reuters

STASBOURG, France — The European Parliament urgently needs more powers if it is to survive into the 1990s, Pict Dankert, the president of the parliament, said Friday.

In a speech closing the assembly's last session before elections next month, he said the parliament would have to expand its legislative powers to establish its identity among voters.

"We can be held responsible only if we have some real responsibility," said Mr. Dankert, a Dutch Socialist. "Our legal legitimacy must become political legitimacy. Only in this way will the European Parliament and its system of direct elections survive into the 1990s."

Mr. Dankert said that the Parliament had almost reached the limit of its capabilities by stretching its existing powers to the full "like a piece of elastic."

The assembly's influence on the European Community is "unmistakable, but almost impossible to pinpoint specifically," he said. Its greatest success in its first five years as a directly elected body has been its use of budgetary powers, he added.

Mr. Dankert said that the Parliament had almost reached the limit of its capabilities by stretching its existing powers to the full "like a piece of elastic."

The assembly's influence on the European Community is "unmistakable, but almost impossible to pinpoint specifically," he said. Its greatest success in its first five years as a directly elected body has been its use of budgetary powers, he added.

Mr. Dankert said that the Parliament had almost reached the limit of its capabilities by stretching its existing powers to the full "like a piece of elastic."

**SALE**  
while stocks last

**CARPETS**  
Iranian and Oriental  
Persian arts and crafts  
**LOWEST PRICES**

Maison de l'Iran  
225.62.90  
65, Champs-Élysées, Paris 8th  
Open every day incl. Sundays



## U.S. Executives Assail Government Curbs on Trading With Russians

By Raymond Bonner

New York Times Service

NEW YORK — American companies are losing at least \$10 billion a year in sales to the Soviet Union because of U.S. government restrictions, according to C. William Verity Jr., the chairman of the executive committee of Amco Inc.

Mr. Verity, who is co-chairman of the U.S.-U.S.S.R. Trade and Economic Council, a private organization of 220 American companies and 125 Soviet foreign trade enterprises, said "trade is trade" and should be separated from political issues.

Mr. Verity made the remarks during a news conference and interview Thursday at the conclusion of two days of meetings of the council in New York. The council, which was set up in 1973 as part of détente, last met in 1982.

Clarence J. Brown, deputy secretary of commerce, told the council during a luncheon address that "trade cannot be separated from everything else." Export controls are needed for national security and foreign policy reasons, he said.

A high-level Soviet trade and economic delegation was headed by Vladimir N. Sukharev, the deputy minister of foreign trade and co-chairman of the trade council with Mr. Verity, and Nikolai N. Inozemtsev, the deputy chairman of Gosplan, the state planning committee. Anatoli F. Dobrynin, the

Soviet ambassador to the United States, also attended.

That the Soviet Union went ahead with the meeting in view of its cancellation of participation in the Olympics, suggests that the Russians view improved relations with the American business community as having political as well as economic benefits. Mr. Verity said the Soviet leaders had an inflated view of how much influence American business leaders have in Washington.

The business camaraderie that marked the council's meeting was reflected on the dais for Thursday's closing luncheon. David Rockefeller, the banker, Donald M. Kendall, chairman of PepsiCo Inc., Dwayne O. Andreas, chairman of the Archer-Daniels-Midland Co., and John J. Murphy, chairman of Dresser Industries, sat side by side with Communist leaders.

Trade between the United States and the Soviet Union, which fell to \$2.3 billion last year from \$4.5 billion in 1979, could be in the range of \$22 billion to \$25 billion, Mr. Sukharev said.

Many of the government restrictions, usually in the form of denials of export licenses, have been imposed to protest Soviet actions, such as the military intervention in Afghanistan. In addition, the Reagan administration has sought to deny the Russians access to much of American technology.



**CONFISCATED CIRCUITS** — John M. Walker Jr., assistant U.S. Treasury secretary, holds a confiscated microcircuit as he and U.S. Attorney Rudolph Giuliani, right, announce the indictment of Yuri Geifman. Mr. Geifman, 31, a Soviet Jewish émigré, is charged with selling \$9,000 in restricted computer parts to a West German company for subsequent shipment to the Soviet bloc. He is being held on \$200,000 bail in New York.

## Senate Committee Cuts Reagan MX Plan in Half

By Margaret Shapiro and Walter Pincus

Washington Post Service

WASHINGTON — The Senate Armed Services Committee has approved a \$299-billion military authorization bill for fiscal 1985 that cuts in half President Ronald Reagan's request for the MX missile and eliminates money for the production of chemical weapons.

The plan allows military spending to increase 7.5 percent above inflation and approves a 4-percent pay increase for military personnel. The administration had sought a 5-percent increase for personnel, while the House Armed Services Committee agreed to 3.5 percent.

The total of the committee's military package is \$6 billion below what Mr. Reagan requested and reflects a compromise between the president and Senate Republican leaders in February. No date has been set for full Senate debate of the arms spending bill.

The House committee's version of the bill provides a 6-percent real increase in defense spending. The House debated the bill this week before adjourning late Thursday for the Memorial Day recess.

In related action Thursday, Defense Secretary Caspar W. Weinberger was warned by the Senate Appropriations defense subcommittee that the administration could face even larger defense spending cuts. The subcommittee's chairman, Ted Stevens, Republican of Alaska, told Mr. Weinberger that the Pentagon is spending too much on personnel and threatened to eliminate 22,000 new military positions requested for next year.

In its version of the defense bill, the Senate Armed Services Committee reversed its position on nerve gas. For two years, the Senate has backed administration requests

to resume chemical weapons production, while the House has vetoed it.

The committee chairman, John G. Tower, Republican of Texas, said Thursday that the panel reluctantly decided not to push the issue again this year because "in an election year, Congress is unlikely to take favorable action" on such a controversial program.

Mr. Reagan also lost his effort to get funds for 40 MX missiles; the committee instead agreed to provide funds for production of 21 missiles.

The House voted last week to provide money for only 15 missiles and delayed its release until next April to see if the Soviet Union returns to arms-control talks. If it does, the money will stay frozen.

The Senate committee bill allows release of MX funds as soon as the fiscal year begins, Oct. 1. Mr. Weinberger said Thursday that the administration would try to overturn the House restrictions when a House-Senate conference committee meets to resolve differences over the bills.

The committee also eliminated language approved last year that prevents the Pentagon from testing satellite-destroying weapons against a target in space unless the president certifies that he is trying to negotiate a ban with the Soviet Union on the weapons.

The White House objected to that provision, and the committee decided to allow testing in space as long as the president certifies that it is "essential" to arms-control efforts.

The committee language, if approved by the full Senate, would likely provoke a fight in the House. The House on Wednesday voted to prohibit testing of the anti-satellite weapons in space unless the Russians resume testing theirs.

## Mondale vs. His Image

Crowd in New Mexico Is Unimpressed

By Bernard Weinraub

New York Times Service

SANTA FE, N.M., May 26 — Beating the mesquite and cottonwood trees of downtown Santa Fe, two doctors watched as Walter F. Mondale denounced the policies of President Ronald Reagan.

"Is there any real difference between Mondale and Hart?" asked Dr. Paul Kovnat. Their positions are so similar, I guess the question is, who's going to beat Reagan? The physician said he was going to vote for Senator Gary Hart in the primary here June 5.

Beside him, Dr. Larry Shandler said that Mr. Mondale's remarks were "not inspiring." "Mondale said the right things but not in a convincing way," he added.

Although Mr. Mondale was warmly received here Thursday by the crowd of 400, his visit underlined the growing rift between the two candidates. Mr. Mondale, who has been unable to stir them, is often unable to stir them.

"I think many people care about our primary, but not many people are inspired by Mondale," said Dr. Shandler. "From what I can see, there's no clear-cut favorite here."

In a day that included stopovers here and in Albuquerque before he flew to San Diego, Mr. Mondale appealed for votes on June 5. He focused his first campaign stop, in

Albuquerque, on the Hispanic community, which constitutes 37 percent of the state's 1.3 million population.

In Santa Fe, Mr. Mondale spoke of the budget deficit, the administration's "failure" to undertake arms control talks and Central America.

The contest in the state, in which 23 convention delegates are at stake, has been dwarfed by the other presidential primaries on June 5, in California and New Jersey. Mr. Mondale and his key rival, Mr. Hart, have been shuttling between these two states.

In Albuquerque, Mr. Mondale couched his criticism of the policies of the Reagan administration toward minorities with a vow to hire Hispanic citizens if he were elected.

"You've always been overrepresented in every war," Mr. Mondale told the 12th annual conference of National India Inc., a Hispanic organization that seeks to promote Hispanic employment in government and private industry.

"You've always been overrepresented every time medals of valor are handed out," he added. "But you've always been grossly underrepresented when decisions are made affecting your life and the life of your children and your future here in this country. And that's got to be changed."

## Clyde A. Farnsworth Is Dead at 76; Was a U.S. Foreign Correspondent

New York Times Service

WASHINGTON — Clyde A. Farnsworth, 76, a foreign correspondent for The Associated Press, the Scripps-Howard News Alliance, The Chicago Tribune, Time Magazine and The New York Times, died Thursday of cancer at Arlington Hospital.

During World War II, Mr. Farnsworth was based in Egypt and China. He was the father of Clyde H. Farnsworth, a correspon-

dent for The New York Times.

Other deaths: Luigi Polano, 87, one of the founders of the Italian Communist Party in 1921, Thursday at his home in Sassari, Sardinia.

Joseph E. Moody, 81, a former president of the Southern Coal Producers Association and later of the National Bituminous Coal Operators Association, industry trade group, Tuesday of Alzheimer's disease at his home on Cape Cod.

## Betancur's Peace Efforts Losing Support

By Jackson Diehl

Washington Post Service

BOGOTA — After nearly two years of peace-making efforts in Colombia and the region, President Belisario Betancur is losing domestic support for his initiatives and is under pressure to shift to a harder line.

The reformist Colombian leader persuaded his country in 1982 that his government could achieve peace with Colombian insurgents and between battling factions in Central America. Such settlements, he said, would be the "transcendental goal" of his administration.

Yet after dozens of meetings, critics here say the four-nation Contadora group that Mr. Betancur helped to create appears stalled in its efforts to arrange a regional accord in Central America. The group, made up of Colombia, Venezuela, Mexico and Panama, is named for the island where it first met.

Meanwhile, a tenuous cease-fire with the largest of Colombia's own insurgent groups, meant to be a model of national pacification, has met with skepticism.

Political opponents have called Mr. Betancur a failed idealist who confused political imagery with actual progress. Ministers say public pressure has forced the president to reduce his profile as a mediator in Central America, and they say his peace policies may be running out of time.

Within the next several months, the government's internal peace commission must reach a settlement with the four Colombian guerrilla groups still at war or abandon such efforts, members of the country's peace commission say. During that time, Mr. Betancur's peace with the largest group, the Colombian Revolutionary



Belisario Betancur

Armed Forces, will be tested. In addition, the Contadora group will attempt to negotiate a Central American peace treaty.

"It is an important moment," said the foreign minister, Rodrigo Cedeño Lloreda, recently. "We are not facing opposition so much as skepticism." Mr. Lloreda arrived this week in Washington for talks with Secretary of State George P. Shultz and other administration officials.

The Colombian government itself seems to have lowered its expectations. Officials say they hope the peace beginning next Monday with the 9,000-member Colombian Revolutionary Armed Forces will demobilize the group over the course of a year and have a decisive effect on peace talks with other rebel movements, including M-19, the group that seized the Dominican Republic Embassy in Bogotá in 1980.

However, as Mr. Lloreda said: "What we don't know is how far the peace will go. The guerrilla organizations don't respond to a rigid command structure. And so if there are 27 units of the FARC, we don't know if it will be 15 or 22 or 27 that accept peace."

On Contadora, the Colombians hope that a draft treaty along with proposals for commitments by Nicaragua and El Salvador on their internal affairs will be ready to be presented to Central American governments next month.

Mr. Lloreda acknowledged, however, that Contadora had become at best a secondary alternative for the region's warring powers.

"The United States and Cuba and the Soviet Union have not ruled out the possibility of arriving at a solution through the negotiations of Contadora," he said. "That is because they are not sure that their own [military] strategies will be successful. If those strategies don't work out, maybe they will need Contadora."

A principal factor in the declining public support for the peace efforts at home and abroad has been a strong surge in violence within Colombia, several political analysts said. Since Mr. Betancur's government took office, the country's five guerrilla groups have appeared to expand their numbers and military activity.

The opposition points out that following the government's amnesty for guerrillas in December 1982, several leaders of M-19 were released from prison only to return almost directly to armed struggle. M-19 claimed responsibility for seven bomb explosions that damaged U.S. and Honduran interests in Bogotá on Tuesday and Wednesday.

"The guerrillas have simply taken advantage of the peace policies for their own purposes," said Carlos Lemos, a former foreign minister. "They will never accept peace unless the peace means an overthrow of the system. And the truth is they have already weakened the system."

The troubles in Colombia have increased public support for a recent crackdown on guerrilla organizations, according to several political analysts. At the same time, the disenchantment has appeared to limit Mr. Betancur's ability to act as a leader in the Contadora negotiations abroad.

"The idea has been growing among the public that Mr. Betancur has spent more time on the problems of peace in Colombia than on the problems of peace in the country," Mr. Lemos said. "And that is this responsible for the deterioration of public order in the country."

The president has also come under pressure from the conservative military, which only grudgingly accepted the 1982 amnesty and protested his negotiations with the Colombian Revolutionary Armed Forces. The military also attacked Mr. Betancur's moves toward restoring suspended diplomatic relations with Cuba, which with Moscow was believed to have backed Colombian guerrillas.

Havana is a major factor in Central America, government officials say, and the Colombians thus need to improve relations if they are to succeed as mediators.

Because of the political linkage of the internal and foreign peace policies here, many observers believe the key test of Mr. Betancur's overall program may turn out to be the peace with the Colombian Revolutionary Armed Forces.

Under the terms of the peace treaty signed in March, the insurgent units and the army are to cease operations against each other for a year while the guerrillas reorganize as a political party.

The government's peace commission president, John Aguado, said he expects the peace to effectively mean an end to warfare for 80 percent of Colombia's guerrillas. In part because of the vagueness of the agreement, however, the initiative has been subject to criticism from both the left and right.

## U.S. Sees Cover-Up in Nuns' Slaying

Reuters

WASHINGTON — A State Department report says that Salvadoran military officers tried to cover up involvement by high-ranking officers in the 1980 killing of four U.S. churchwomen.

The report was released on Thursday after a jury in El Salvador convicted five Salvadoran guardsmen in the murder. It said that evidence that higher officers had ordered the killings was contradictory, but that the State Department did not believe they had done so.

"We believe it is quite possible" that General Carlos Eugenio Vides Casanova, "was aware of and for a time acquiesced in the cover-up," the report said. General Vides Casanova, who at the time of the murders was head of the National Guard, now is El Salvador's defense minister.

The report conflicted with statements by President-elect José Napoleón Duarte of El Salvador that his own investigation found there was no cover-up and "no connection" to General Vides Casanova, whom he intended to reappoint.

The report was prepared for the State Department by a retired U.S. judge, Harold Tyler, and kept secret until after the trial had ended.

A spokesman for the State Department, John Hughes, said U.S. officials would continue to pursue allegations of involvement by high officials in the killings.

It said that there was indisputable evidence that Sergeant Luis Antonio Colindres Alemán, whom the report said ordered the killings, confessed to ranking National Guard members within days. Sergeant Colindres Alemán was among those convicted Thursday by a jury in El Salvador.

The high officials "responded by concealing this fact from the outside world, and ordering the transfer of the killers from their airport posts and the switching of their weapons to make detection more difficult," the report said.

It said that Sergeant Colindres Alemán's commander, Major Lizandro Zepeda, was "participated in these acts."

"It is probable," the report said, that Colonel Roberto Monterrosa, head of the government's official investigation of the crime, also participated by failing to provide Sergeant Colindres Alemán's fingerprints to U.S. investigators.

But the report concluded that, although the evidence was contradictory, high-ranking officers probably did not order the murders.

"On the basis of the evidence available to us, we believe that Colindres Alemán acted on his own initiative," it said.

Two low-ranking guardsmen testified that Sergeant Colindres Alemán told them he was acting on higher orders, the report said. But it said "the circumstances of the crime itself and Colindres Alemán's behavior during its commission are, in our view, inconsistent with an assault on the churchwomen ordered from above."

Prosecution of the five guardsmen was not ordered until U.S. officials learned of their involvement and pressed for their arrests.

The possibility of General Vides Casanova's acquiescence to the cover-up, the report said, was raised by the fact that he was head of the National Guard when the three nuns and a lay worker were killed Dec. 2, 1980.

The report said it seemed unlikely that a mid-level officer such as Major Zepeda, Sergeant Colindres Alemán's commander, "would have undertaken the obstructive actions he did without approval or encouragement from someone higher."

## Is 'Yellow Rain' Natural? Experiments Cast Doubts

By Philip M. Boffey

New York Times Service

GHEENT, Belgium — Two Canadian experiments have cast doubt on the theory that the "yellow rain" poisons found in Southeast Asia might be a natural occurrence rather than chemical warfare agents, according to reports presented at an international conference on chemical weapons, which ended here Wednesday.

Dr. H. Bruno Schiefer, director of the toxicology research center at the University of Saskatchewan, and Dr. Hugues Cohen, a research scientist for the Canadian government's agricultural agency, both reported that fungi collected in Thailand show little or no ability to produce the poisons associated with the reported yellow rain chemical warfare.

They concluded that such fungi are almost certainly not responsible for producing the poisons found after reported yellow rain attacks in neighboring Laos and Cambodia. Their experiments appeared to lead credence to charges by the U.S. government that such attacks are a new form of chemical warfare used by the Soviet Union and its allies.

However, Dr. Matthew S. Meselson, the leading proponent of the view that yellow rain poisons are produced in nature by fungi that grow on the feces of bees, discounted the findings because of the small number of fungus samples collected. He said there might well be sites in Southeast Asia where fungi do produce the yellow rain poisons.

"We're just at the beginning of looking," said Dr. Meselson, a Harvard expert on chemical warfare.

Dr. Schiefer said he collected more than 20 plant and soil samples from various parts of Thailand in 1982 and found that none of them contained any toxin at all.

Dr. Cohen reported a striking difference in results when she tried to coax fungi from Canada and from Thailand into producing poisons. The fungi from Canada produced a high level of poisons when grown on pollen and on rice, with the highest concentration of all occurring in the pollen.

Some scientists took this as a hint that fungi growing naturally on bee feces, which contain digested pollen grains, might well be able to produce poison, as Dr. Meselson has suggested.

But Dr. Cohen argued that the Canadian fungi would be unlikely to produce such high concentrations of toxin under natural conditions. She stressed that the fungi from Thailand did not produce any poisons at all in her laboratory.

A U.S. scientist, Joseph D. Rosen, of Rutgers University, noted

that he had previously analyzed a sample of yellow rain and found not only fungal poisons but also a man-made chemical, known as polyethylene glycol, that could not have been produced naturally. He called this "one of the most powerful pieces of evidence in the debate over whether yellow rain is a natural occurrence or was put there by the intervention of man."

Tuesday, the director of the toxicology department at the State University of Ghent, Dr. Aubin Heyndrickx, said his laboratory had detected yellow rain poisons in the bodies of 10 Iranian soldiers attacked by Iraqi chemical weapons and in six samples of environmental materials from Cambodia.

## Ford to Attend Convention

United Press International

DALLAS — Former President Gerald R. Ford will be at this summer's Republican National Convention, Ron Walker, the convention's manager, said Thursday. Former President Richard M. Nixon will not attend, Mr. Walker said.

## AMERICAN TOPICS

### Inventors at Work To Help the Elderly

More than 80 percent of Americans, according to the House Select Committee on Aging, are expected to live beyond 70, and gerontologists in Miami and Palo Alto, California, have been inventing devices to lighten the burden of the elderly.

There are "grabbers" to eliminate bending, and a kitchen knife that requires only half the usual muscle power. A robotic arm works at voice command and a mechanical pet scurries up to doors to check security.

### Black Welder Wins Discrimination Suit

A black welder in Michigan has been awarded a record \$1.5 million in damages as the result of a lengthy discrimination suit. Ben Citehen, who used to work at the Firestone Auto Products plant in Wyandotte, Detroit, was found by the unanimous vote of the Michigan Civil Rights Commission to have been the victim of acts of harassment. The plant has since closed.

Mr. Citehen said he had found dead rats, mice and fish in his locker, that nooses had been hung near his work area and that he had found nails in the shape of a cross. He had to remove all these himself, he said, because supervisors took no action when he complained. After a series of incidents, Mr. Citehen was fired in 1976, though no action was taken against his persecutors.

### Maryland Immigrants Reject Bilingualism

Parents of children in four high schools in Montgomery County, Maryland, were asked whether they preferred the medium of instruction to be in English, in their native language, or in a mixture of the two. A federally financed program, English for Speakers of Other Languages, found that 99 percent preferred English, according to the project director. The children, mostly Spanish or Vietnamese speakers, also said they found the English instruction the most helpful, with only 3 percent disagreeing.

### Vault in Baltimore Conceals Its Secrets

The Gilman Hall vault at Johns Hopkins University in Baltimore has been sealed for 30 years, and its contents are a mystery. Unsuccessful attempts to open it have included four students with stethoscopes and listening devices competing for a university-sponsored cash prize. A professional locksmith has now been called in. There is speculation that the vault may contain two mummies mislaid by the archaeology department many years ago.

### Rickover Lambastes Parents and Students

Retired Admiral Hyman G. Rickover announced in Washington on Thursday the inauguration of the Rickover Science Institute, a six-week summer program of math and science designed to serve as a model for educating gifted students. The admiral, who is 84, often described as the father of the United States' nuclear Navy, had some hard words for parents, who, he said, "spend too

much time playing bridge." Asked whether students at the institute might be disappointed upon returning to regular high schools, he said, "I hope to hell they're disappointed and start working hard and stop loafing like most of the high school students do."

### Slow Beer Drinkers Need Not Despair

A device pioneered in Portland, Oregon, can help a drinker "chug" 40 ounces (just over 2 liters) of beer in three seconds. Although the device could, according to experts, cause unconsciousness or death, Oregon officials say it is not illegal. "Chug King" advertisements show an unshaven man with a large belly holding the end of a hose linked to a tankful of beer and claiming: "Gravity will put the beer into your stomach in just seconds."

### Canonization Sought For New York Prelate

The Roman Catholic Archbishop of New York, John J. O'Connor, has announced that he will seek to have his predecessor, Cardinal Terence J. Cooke, declared a saint. Cardinal



Cardinal Terence Cooke

nal Cooke died of cancer in October, after refusing medication for the terminal stage of the disease. He said that he hoped by conscious suffering to win grace for the world.

For five years after his death, in the first stage of the canonization process, the archdiocese of New York will gather documentation to support the beatification.

### House Votes to Allow Skullcaps in Army

U.S. soldiers would be allowed to wear inconspicuous religious headgear while in uniform, under a provision adopted by the House of Representatives but still subject to Senate approval.

The amendment to the \$285-billion 1985 Pentagon bill permitting "unobtrusive religious headgear, such as a skullcap," was proposed after the U.S. Court of Appeals earlier this month upheld the U.S. Air Force's right to prohibit Orthodox Jews from wearing yarmulkes, or skull caps, on duty.

Representative Stephen J. Solari, a New York Democrat, who sponsored the amendment, said the decision "put deeply patriotic and religious Americans in the position of having to choose between observing their faith and serving their country."

**DIAMONDS**

**YOUR BEST BUY**

Single diamonds at wholesale prices by ordering direct from Antwerp, the world's most important cut-diamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment. Write us now for free price list or call us.

Joachim Goldenstein  
diamondexport  
Established 1928  
Felixstrasse 62, B-2018 Antwerp,  
Belgium • Tel. (82.3) 234.07.51  
Telex 71779 oyl b  
at the Diamond Club Bldg.

Our  
air condition  
- the clean, fresh  
mountain air.  
Open from mid June.

**PALACE HOTEL**  
GSTAAD  
SWITZERLAND  
Please call:  
Phone: 030/83131 Telex 922 222  
or  
The Leading Hotels of the World

Bulgari quartz watch. Water-resistant.  
Stainless-steel, gold-steel, 18K gold.  
Available in four sizes.

**BVLGARI**

10 VIA DEL CONDOTTI - ROMA  
HOTEL PIERRE - NEW YORK  
30, RUE DU RHONE - GENEVE  
AVENUE DES BEAUX-ARTS - MONTE CARLO  
HOTEL PLAZA-ATHENEE - PARIS



## 2 Bomb Attacks Injure 10 in Bombay

More Hindu-Moslem Violence Expected as Troops Take Up Positions in City

**BOMBAY** — Two bombs exploded in Bombay on Friday, injuring at least 10 persons, as troops took up positions in the city center and other parts of western India in readiness for renewed Hindu-Moslem violence.

Officials said the bomb victims, three of them children, were hurt by blasts in different areas of the city. In addition, two unexploded bombs were found.

An additional 300 heavily armed troops arrived in Bombay on Thursday night, and more reinforcements were expected, in an attempt to counter the violence that was expected to coincide with

the gathering of thousands of Moslems at mosques on Friday, Islam's holy day of the week.

The death toll in a week of clashes between Hindus and Moslems in the state of Maharashtra rose to 211 with the discovery Friday of 17 bodies in the ruins of burned-out houses and textile mills, the officials said.

Security forces in the northern state of Punjab also remained on the alert after eight Hindus were killed and one was seriously wounded Thursday night in an ambush by Sikh gunmen on a motor scooter. Intelligence reports had earlier warned of new attacks by Sikh extremists against Hindus, se-

curity forces and moderate members of the Sikh community, most of whom live in Punjab.

Maharashtra officials said additional troops moved into Bombay on Friday after police intercepted three trucks carrying homemade weapons, including swords, light bulbs filled with acid, clubs and bottles.

The Press Trust of India, a news agency, said there were sporadic outbreaks of stone throwing in the city Friday, but no deaths were reported during daylight hours.

**Sikkim Assembly Dissolved**  
Earlier Friday, William Claiborne of The Washington Post reported from New Delhi.

The government of Prime Minister Indira Gandhi dissolved the state legislature Friday and imposed federal rule in the tiny but strategically important state of Sikkim in northeastern India.

The imposition of "president's rule" invoked under emergency provisions of the constitution, brought to an end two weeks of political uncertainty in the state following the dismissal May 11 of the chief minister, Nar Bahadur Bhandari, a maverick member of Mrs. Gandhi's Congress-I Party.

Friday's federal takeover, unusual in the absence of the kind of civil unrest that accompanied the last imposition of president's rule, in

the state of Punjab earlier this year, came a day after Mr. Bhandari and 14 other members of the state legislative assembly resigned from Congress-I and announced they would form a new regional party.

As a result of the resignations, Mrs. Gandhi's party, which had a majority of 28 in the 32-member Sikkim assembly, was reduced to a minority. Two more Congress-I supporters of Mr. Bhandari reportedly were preparing to submit their resignations before Friday's move. Imposition of central government rule in Sikkim followed a cabinet meeting Friday morning chaired by Mrs. Gandhi. The order was signed by President Zail Singh under a constitutional provision for emergencies stemming from a "failure of constitutional machinery in states."

Just hours before the emergency measure, Mr. Bhandari had submitted an application to the Election Commission, demanding recognition of his newly formed Sikkim Revolutionary Front in the October elections in Sikkim.

Before merging with India in 1975, Sikkim was a mountain kingdom. It is bordered by China on the north and the kingdoms of Nepal and Bhutan on the west and east. Although its population is only 350,000, it is strategically important, lying astride the shortest route from India to Tibet.

Mr. Bhandari, who took over as Sikkim's chief minister in 1978, had long banked the central government by pressing for a quota of 15 state assembly seats reserved for Nepali Sikkimese, or one more than that reserved for the ethnic Bhutias and Lepchas, who are descended from the original inhabitants of Sikkim. Mr. Bhandari is of Nepali origin.

Mr. Bhandari and his cabinet were replaced by the Gandhi-appointed governor, B.B. Gurung.

**PERSONALITIES FILE**  
**MARY BLUME**  
IN THE WEEDING OF FRIDAY'S RIT

## Deng Issues New Directive to Press: Limit Eulogies on Chinese Leaders

The Associated Press

**BEIJING** — Deng Xiaoping, the Chinese leader, has issued a new directive: cut down on the state-run media's endless praise for dead and living Communist figures, the People's Daily reported Friday.

The Communist Party newspaper said he conveyed the new line through Deng Yingchao, a senior member of the Politburo, who told a group of artists and writers earlier

in the week, "Less propaganda on the living, and do not overdo it on the dead." Deng Xiaoping has warned several times of what he calls the danger of the personality cult that surrounded Mao.

Deng Yingchao reassured the artists and writers that last year's short-lived "spiritual pollution" campaign, in which noncommunist ideas and culture came under official attack, was in no way meant to intimidate them.



President Konstantin U. Chernenko and President Kim Il Sung during their talks Friday.

## N. Korea, Soviet Set Defense Accord

The Associated Press

**MOSCOW** — President Konstantin U. Chernenko and President Kim Il Sung of North Korea agreed Friday to strengthen their defenses in the Far East and the Pacific to counter the "intensified militarist policy" of the United States and Japan, Tass said.

The news agency said the agreement had been reached during a final meeting between the two leaders in the Kremlin following earlier talks on Thursday.

Tass said they favored "broader contacts" between their ruling parties on economic and political questions. A later report on the conclusion of the talks stressed that the discussions had covered "the entire range of the relationship" between the Soviet Union and North Korea.

The meetings this week were the first such high-level review in 23

years. Tass did not say when Mr. Kim would leave the Soviet Union for a planned tour of East European countries.

Earlier, Tass said that Mr. Chernenko and Mr. Kim had stressed the need for increased security in the light of alleged American and Japanese security threats in the Pacific and the Far East. It was not clear what form the strengthened security would take.

The agreement on military issues followed a meeting on Thursday between the Soviet defense minister, Marshal Dmitri F. Ustinov, and his North Korean counterpart, O Jin U. No details were released of their talks.

In Tokyo, the Foreign Ministry called in a Soviet Embassy official Friday to convey Japan's displeasure over Mr. Chernenko's charges that militarism is reviving in Japan. A ministry spokesman said a

note from Foreign Minister Shintaro Abe was handed to the Soviet minister-counselor, Lyudvig A. Chizhov.

Mr. Chernenko, at a dinner for Mr. Kim in Moscow on Wednesday, charged that militarism is reviving in Japan, thus destabilizing Asia. The Soviet leader also criticized Japanese demands for the return of four islands in the Kurile chain seized by Soviet troops in the closing days of World War II.

The spokesman said Mr. Abe challenged Mr. Chernenko's statement as "totally contrary to facts," derived apparently from incorrect perception and misunderstanding about the nature of Japan's defense capability and policy.

He said Mr. Abe also pointed out that Japan has been exerting its diplomatic efforts to maintain friendly relations with the Soviet Union despite "harsh" circumstances surrounding the two neighbors.

The Japanese spokesman said that Mr. Chizhov had promised to convey the note to Moscow but had defended Mr. Chernenko's statement as an "objective judgment" of the situation in and around Japan.

## Olympic Chief Attacks Use Of Politics In Sports

Compiled by Our Staff From Dispatches

**BAD HOMBURG, West Germany** — Juan Antonio Samaranch, president of the International Olympic Committee, said Friday that governments must stop using sports "as a hostage for political purposes."

In an address one day after failing to reverse a Soviet-bloc boycott of the Los Angeles Summer Games at a meeting in Prague, Mr. Samaranch called on international sports organizations to fight to protect the Olympic movement.

Mr. Samaranch told the West German Sports Federation that it was the responsibility of sports officials "to try and convince politicians that to take sports as a hostage for political purposes only serves to create new sources of conflict throughout the world."

On Wednesday, Cuba became the 10th country to join the Soviet-led boycott of the Olympics. On Thursday, Czechoslovakia announced that a separate set of games would be held after the Olympics for athletes of the boycotting countries.

The European Parliament passed a resolution Thursday backing proposals to set up a permanent site in Greece by 1996. Great Olympic officials welcomed the resolution but warned that the idea could run into opposition from international sports federations.

Mr. Samaranch said in a message to President Constantine Caramanlis of Greece, originator of the idea, that he would raise the issue at the next International Olympic Committee meeting in Los Angeles in July.

Mr. Caramanlis, who says the Olympics' future is endangered by political and commercial issues, has reiterated his suggestion of a permanent site since the Soviet Union announced this month that it would stay away from Los Angeles Games.

A Greek Olympic official said that even in October 1981, when the IOC politely rejected the idea of a permanent site, "international opinion was not against." He added: "Now it is much more sympathetic."

But he said opposition was likely from international federations controlling the 23 Olympic sports. The federations have "very substantial commercial interests" that could be hit by the setting up of a permanent site, and they could hinder the establishment of such a site even if the IOC were to approve it, he said.

Mr. Samaranch noted that when President Jimmy Carter organized a boycott of the 1980 Summer Olympics in Moscow, it had also caused bitter feelings among athletes and many difficulties for the organizers. Mr. Carter organized a walkout of three dozen nations, including West Germany, to protest the Soviet military intervention in Afghanistan.

Mr. Samaranch said he would not compare the two walkouts because they were taken for "quite different reasons."

"But for the Olympic movement the results are very similar, and one can only wonder what will be the next step," he said.

He described the Olympic Games as one of the "most important possibilities for people to meet and understand each other."

"As always, those penalized in the most unfair way are the athletes," he added. "They are taken once more as pawns and have hardly a chance to have their opinions taken into account."

Mr. Samaranch noted that top athletes spend many years training physically and mentally in preparation for the Games, and that it was "most unfair" to deny them the opportunity to compete.

The IOC chief said that, as in 1980, the Olympic movement had to strengthen its ranks in unity to "fight against adversity and problems."

"As we did in 1980, so we have to do now, to the last moment, even when there is no hope left," he said. (A.P. Reuters)

**SKY CHANNEL** FROM SATELLITE TELEVISION

PROGRAM, SATURDAY 26th MAY

UK TIMES 16.00	SKY CHANNEL MUSIC BOX
18.00	MY FAVOURITE MUSICIAN
18.25	MOVIE ON
19.15	SHA NA NA
19.40	LAS VEGAS SHAKEDOWN
21.00	ALL STAR WRESTLING
21.55	SKY CHANNEL MUSIC BOX

BROADCASTING TO CABLE COMPANIES IN EUROPE & THE UK VIA SATELLITE

CONTACT SATELLITE TELEVISION FOR FURTHER INFORMATION

TELEPHONE LONDON (01) 439 0491 TELEX 206943

**Daily News in English** with highlights from the **International Herald Tribune**

Morning from 8:45 to 9:45 a.m.

Evening from 10:00 p.m. to 2:00 a.m.

**RADIO KLOV** 92.8 FM, Paris English-language station. Tel. 563.87.97

**PERSONALITIES FILE**  
**MARY BLUME**  
IN THE WEEDING OF FRIDAY'S RIT

## INTERNATIONAL EDUCATION DIRECTORY

**U.S.A.**

**OVERSEAS STUDY PROGRAM**

If you are serious about your education and have been looking for a legitimate independent study program to reach your professional goals, we invite you to contact us for further information.

**Pacific Southern University**

is authorized by the State of California department of education to provide earned degree programs through independent directed study.

Send a brief resume of your educational and professional experience and your educational goals for evaluation to:

**OVERSEAS STUDY PROGRAM**  
**PACIFIC SOUTHERN UNIVERSITY**  
9301 Wilshire Boulevard  
Office 508 - Beverly Hills, CA 90210.

Do not send money with resume.

**U.S.A.**

**Ross University**

Ross University offers superior courses of study leading to qualified degrees in Medicine and Veterinary Medicine. The Schools are located on the beautiful Caribbean Islands of Dominica and St. Kitts. English speaking countries with stable governments and friendly relations with the U.S.A. All courses are taught in English by outstanding faculty from the U.S. Also U.S. Dept. of Education Guaranteed Student Loans available. Now accepting applications for July and November 1984 sessions.

**SCHOOL OF MEDICINE**

- American Medical School Curriculum • 78.4% pass rate ECFMG by Ross Grad.
- We have facilities and working experience in more than 30 hospitals in the U.S. where our students do their third and fourth years of clinical clerkships. Accredited by the U.S. Dept. of Education.
- Accredited by the American Veterinary Medical Association (AVMA). Curriculum taught on campus in St. Kitts and in U.S. 3rd years veterinary medicine programs. Transfer applications accepted. For further information write Official North American Representative, Caribbean Admissions, Inc., 16 West 32 St., Dept. H-5, New York, N.Y. 10001.

**SCHOOL OF VETERINARY MEDICINE**

- American Veterinary School Curriculum • Accredited by the AVMA and listed in AVMA Directory. Curriculum taught on campus in St. Kitts and in U.S. 3rd years veterinary medicine programs. Transfer applications accepted. For further information write Official North American Representative, Caribbean Admissions, Inc., 16 West 32 St., Dept. H-5, New York, N.Y. 10001.

**FRANCE**

**ALLIANCE FRANÇAISE**

International school providing French language and civilization courses (Private school for higher education)

101, Blvd. Raspail, 75270 Paris Cedex 06, FRANCE.  
Tel.: 544.58.28, Telex: 204941. Cable address: ALLIANFR PARIS

School opens all year round except Xmas and Easter

**A) Study of the French language monthly registration**

- 1) Elementary, intermediate and advanced levels. Regular classes 2 hours/day or intensive course 4 hours/day. Both preparing for the Certificate of French Proficiency and for the French Language Diploma.
- 2) Higher Level. Higher Diploma in French Studies. 3 semesters. Sept./Oct. / Feb./Mar. / July/Aug.

**B) Special courses (information available upon request)**

- Diploma in Higher French Studies.
- Proficiency Certificate for teachers of French as a foreign language.
- Business French: French Chamber of Commerce.
- Oral exam, written French and phonetic classes.
- Pedagogical training for teachers of French.

**C) Other activities**

Conferences, excursions, theater and restaurant.

Free documentation available upon request

**GUIDED INDEPENDENT STUDY PROGRAM**

**Bachelor, Master, Doctorate**

Business Administration • Engineering

Engineering Management • Education

Earn a bachelor, master or doctoral degree. Use your past experience as credit toward your degree. No classes, seminars or on-campus attendance. Studies build upon your experience, relate to your career. Self-paced. Open time schedule. Distinguished faculty advisors. Act now to advance your career.

**Century University**

9100 Wilshire Blvd.  
Dept. 58, Beverly Hills, Ca. USA 90212 213-278-1094

In Switzerland contact: Dr. Zolt Revesz, D.Sc.  
P.O. Box 1126, CH-5401 Baden, Switzerland.

**U.S.A.**

**Maplebrook School** Est. 1945

A private school for boys and girls ages 11-19. All students are learning disabled because of neurological impairment. Maplebrook provides an ungraded curriculum, accent on life skills, pre-vocational work programs and a full spectrum of sports and leisure time activities in a warm and caring, non-competitive atmosphere. Non-discriminatory.

Write: Mr. L. Adams, Headmaster, Maplebrook School, North Road 6, America, NY 12501 • Tel: 914-373-8197

**LEARN AND LIVE THE FRENCH LANGUAGE**

in calm and idyllic surroundings near Monte Carlo. Cap d'Azur, a health resort, offers a wide range of health and pleasure. The Centre Méditerranéen d'Etudes Françaises offers 32 years of experience. Whatever your level, you may acquire a mastery of French to suit your professional or cultural needs. Small groups, 4, 6 or 12-week courses starting each month. Complete books and library are available to students supervised by a professor.

Brochure with enrollment fees, dates and with local and lodging.

**CENTRE MEDITERRANÉEN D'ETUDES FRANÇAISES**  
06320 Cap d'Azur (France). Tel.: (93)78.21.59.

or 2-week Summer courses in Antibes (Nid-de-Lair) with lovely accommodation starting July 2nd, July 23rd, and August 13th. Brochure with enrollment form.

**CENTRE DE FORMATION ET D'ETUDES FRANÇAISES PRATIQUES**  
2, Place Henri-Bergson, 75008 Paris. Tel.: 522.54.11

**CUT THIS OUT TO LEARN FRENCH**

Céran, a chateau in the Belgian Ardennes where you learn and live in French. Small groups and private lessons, with tailor-made programmes for individual needs, ensure real progress. Good food, good company, good teachers. Come and learn, and enjoy yourself. We teach private people, companies, embassies, EEC, SHAPE etc.

For complete documentation, send this coupon or phone: I am interested in courses for: ☐ Adults ☐ Young People ☐ Private ☐ Business

NAME \_\_\_\_\_  
COMPANY \_\_\_\_\_  
ADDRESS \_\_\_\_\_

**CERAN**  
164, Avenue du Château, Nivez, B-4890 Spa, Belgium. Tel: 08777 39 16. Telex 49650

**Stanley H. Kaplan**

**The Smart MOVE!**

PREPARATION FOR: MCAT • FMGE • FLEX • CGFNS • NCLEX-RN • TOEFL • ESL • MSKP

**Stanley H. Kaplan Educational Center**

For information regarding programs authorized under Federal law to enroll non-emergent alien students in the U.S.A., please call: 212-977-8200 Or Write: Dept. HT

Stanley H. Kaplan Educational Center Ltd., 131 West 56 Street, New York, N.Y. 10019

Permanent Centers in More than 120 Major US Cities Puerto Rico & Toronto Canada

**WANT TO SPEAK FRENCH?**

You can, through the "TOTAL APPROACH" to French, a unique 4-week program on the Riviera.

Complete ALL-DAY IMMERSION. ONLY IN FRENCH. Daily 8:30-17:00. With 2 meals, in small groups. Audio-visual classes. Language Lab. Practice Sessions. Discussion-Lunch, Excursion. Lodging in private apartments included. For adults, 6 weeks from September 1 to December 1.

Next 4-week immersion course starts July 2, August 6.

Years of research & experience in the effective teaching of French to adults.

**INSTITUT DE FRANÇAIS - E.26.**  
23 Ave. Géo-Lefevre, 06230 Villeneuve/Var. Tel: (93) 01-88-44.

**SPAIN**

**LEARN SPANISH IN MADRID**

- Open all year round - all levels
- Small groups - max. 5 students
- Open to pupils of all races, religions and nationalities

For detailed information apply to:

**DINAMICA ACADEMIA DE IDIOMAS**  
C/Plaza Silveira, 21 • Madrid-9 • Tel.: 4385 DACH E • Tel. 401 75 22.

**EUROPE**

**The TASIS Schools**

**SWITZERLAND**

The oldest independent American boarding school in Europe, founded in 1858. American College Prep. General Studies and Int'l Section (ESL). Coed, boarding and day, grades 7-13. Activities, sports, St. Moritz ski term, and extensive travel throughout Europe.

The American School in Switzerland, Ltd., 31, CH-8626 Montagnola, Switzerland. Tel: Lognon (0041) 54 64 71. Fax: 78371

TASIS England, Ltd., 42, Colindale Avenue, London, Surrey, England TW20 6TE. Tel: Chiswick (0181) 553 252. Fax: 923172

TASIS Cyprus, Ltd., 53, 11 Kassou Street, P.O. Box 2329, Nicosia, Cyprus. Tel: Nicosia (021) 43 114. Fax: 4901

TASIS Hellenic Ltd., Day School, grades K-13, Box 51025, Ext. 64, 14510 Kifissia, Greece. Tel: Athens 606 1426. Fax: 210373

**ENGLAND**

35-acre country campus only 18 miles from central London and 5 miles from Heathrow airport. Founded in 1976, offering American College Prep. curriculum and ESL. Coed, grades K-12 day; grades 7-12 boarding. Complete sports, activities, and travel program.

**CYPRUS**

The newest TASIS campus, situated in the hill district of Nicosia, Cyprus, offers close proximity to the Middle East. American College Preparatory and General Studies curricula. Coed, grades 7-12 day; grades 9-12 boarding. Diverse sports, activities, and travel.

**American Education in Europe with an International Dimension**

**WANT TO LEARN TO SWIM?**

Individually Tailored lessons by Jean Foucaud in Grand Hotel du Parc\*\*\*\*

1884 Villars - Switzerland  
Tel. 025/35 21 21 - Tel. 4565.218

**LEARN AND LIVE THE SPANISH LANGUAGE**

In the exciting atmosphere of Madrid, Spain

**SUMMER COURSES**

We offer you, whatever your level, the possibility of acquiring the Spanish language to suit your cultural or professional needs. Small groups (max. 5 participants), 2, 4, 8 or 12 week courses start each month. Audio and video cassette courses available.

Contact: AUVISA, Guzman El Bueno 133, Edificio Britannia, Madrid 3, SPAIN. Tel.: 234 26 39. Tel.: 48562 IRIS E.

**Herald Tribune**

**BIGGER THAN EVER**

1983. 153,571

1981. 139,250

1979. 129,827

1978. 127,746

1977. 124,891

1976. 121,891

1975. 119,891

1974. 117,891

1973. 115,891

1972. 113,891

1971. 111,891

1970. 109,891

1969. 107,891

1968. 105,891

1967. 103,891

1966. 101,891

1965. 99,891

1964. 97,891

1963. 95,891

1962. 93,891

1961. 91,891

1960. 89,891

1959. 87,891

1958. 85,891

1957. 83,891

1956. 81,891

1955. 79,891

1954. 77,891

1953. 75,891

1952. 73,891

1951. 71,891

1950. 69,891

1949. 67,891

1948. 65,891

1947. 63,891

1946. 61,891

1945. 59,891

1944. 57,891

1943. 55,891

1942. 53,891

1941. 51,891

1940. 49,891

1939. 47,891

1938. 45,891

1937. 43,891

1936. 41,891

1935. 39,891

1934. 37,891

1933. 35,891

1932. 33,891

1931. 31,891

1930. 29,891

1929. 27,891

1928. 25,891

1927. 23,891

1926. 21,891

1925. 19,891

1924. 17,891

1923. 15,891

1922. 13,891

1921. 11,891

1920. 9,891

1919. 7,891

1918. 5,891

1917. 3,891

1916. 1,891

1915. 0,891

1914. 0,891

1913. 0,891

1912. 0,891

1911. 0,891

1910. 0,891

1909. 0,891

1908. 0,891

1907. 0,891

1906. 0,891

1905. 0,891

1904. 0,891

1903. 0,891

1902. 0,891

1901. 0,891

1900. 0,891

1899. 0,891

1898. 0,891

1897. 0,891

1896. 0,891

1895. 0,891

1894. 0,891

1893. 0,891

1892. 0,891

1891. 0,891

1890. 0,891

1889. 0,891

1888. 0,891

1887. 0,891

1886. 0,891

1885. 0,891

1884. 0,891

1883. 0,891

1882. 0,891

1881. 0,891

1880. 0,891

1879. 0,891

1878. 0,891

1877. 0,891

1876. 0,891

1875. 0,891

1874. 0,891

1873. 0,891

1872. 0,891

1871. 0,891

1870. 0,891

1869. 0,891

1868. 0,891

1867. 0,891

1866. 0,891

1865. 0,891

1864. 0,891

1863. 0,891

1862. 0,891

1861. 0,891

1860. 0,891

1859. 0,891

1858. 0,891

1857. 0,891

1856. 0,891

1855. 0,891

1854. 0,891

1853. 0,891

1852. 0,891

1851. 0,891

1850. 0,891

1849. 0,891

1848. 0,891

1847. 0,891

1846. 0,891

1845. 0,891

1844. 0,891

1843. 0,891

1842. 0,891

1841. 0,891

1840. 0,891

1839. 0,891

1838. 0,891

1837. 0,891

1836. 0,891

1835. 0,891

1834. 0,891

1833. 0,891

1832. 0,891

1831. 0,891

1830. 0,891

1829. 0,891

1828. 0,891

1827. 0,891

1826. 0,891

1825. 0,891

1824. 0,891

1823. 0,891

1822. 0,891

1821. 0,891

1820. 0,891

1819. 0,891

1818. 0,891

1817. 0,891

1816. 0,891

1815. 0,891

1814. 0,891

1813. 0,891

1812. 0,891

1811. 0,891

1810. 0,891

1809. 0,891

1808. 0,891

1807. 0,891

1806. 0,891

1805. 0,891

1804. 0,891

1803. 0,891

1802. 0,891

1801. 0,891

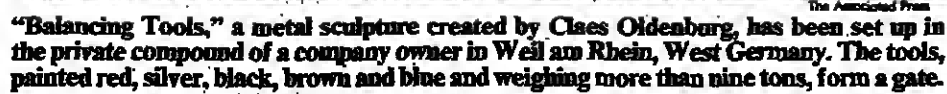
1800. 0,891

1799. 0,891

1798. 0,891



## The Possibilities and Pitfalls of 'Antiquities' Sales



Paintings, Sculpture by Remi Blanchard,  
Jean Charles Blois, Francois Boisrend,  
Robert Combus, Nerve Di Rosa, A.-One,  
Jean Michel Bosquet, Future 2000,  
Keith Haring, Kenny Schorf.  
**Until 30 June. 01-434 1911**  
**Mon.-Fri. 10-5.30; Sats 11-1.**



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Cold Days in Gorki

All that is ugly and much that is dangerous to Soviet behavior is in evidence in the worsening tragedy of Andrei Sakharov. Wedded in an ideology that cannot admit error, the Kremlin can only respond to a stubborn dissenter's challenge with self-destructive vindictiveness. In this pathetically unequal duel with an aging scientist and his ailing wife, his tormentors fear that any concession will mark them as weak, thus exposing only their own insecurity. Still, the ultimate calamity has yet to occur. Despite a protracted hunger strike, Mr. Sakharov is presumed alive. His wife, Yelena Bonner, though cruelly denied medical treatment abroad, is apparently still with him. So long as a chance remains for granting her a decent exit, the case for doing so needs to be put calmly. The alternatives are disastrous.

To the Soviet leaders, Mr. Sakharov is a willful troublemaker who is exploiting his wife's heart condition to discredit his country. Miss Bonner is judged even more culpable because she allegedly conspired with the American Embassy during her trips — oow forbidden — to Moscow from the closed city of Gorki. But whatever brave political purpose may move the couple, the responsibility for abetting it falls squarely on their jailers.

The Sakharovs have only one weapon: Their manifest decency and moderation have seized the attention of much of the world. It is not their suffering that singles them out. By Soviet standards, internal banishment is benign; innumerable other victims have been consigned to darkness. What makes Mr. Sakharov different is his gallant advocacy of humane values at the cost of the privileges his genius and service to the Soviet state once gained him.

He began to speak out in 1961, when he urged Nikita Khrushchev to ban nuclear testing. Though he spurned the advice, Khrushchev later said of the man he credited with

inventing the Soviet hydrogen bomb: "I knew him and was profoundly impressed by him. Everyone was. He was, as they say, a crystal of morality among our scientists. I'm sure he had none but the best of motives."

In the Brezhnev era, Mr. Sakharov widened his campaigns, took up the cause of agitators for more democracy and openly challenged his government in interviews with foreigners. He knew how great the risks, how remote any real chance of change: "The fact that we addressed the authorities was simply a natural reflection of our aspiration for the rule of law, of our loyalty to the state, of our confidence that we were in the right legally as well as ethically."

Such heresies brought him calamity at home, a Nobel Peace Prize in 1975, finally banishment to Gorki in 1980. His partner in all this was his second wife, Miss Bonner. She had nonetheless once been allowed abroad for medical treatment. Then why, in the name of Marx, is it denied now?

Why, indeed. To blame the revival of Cold War on President Reagan is to ignore the unrelenting persecution of the Sakharovs. The more disarming explanation is the Soviet government's chronic inability to balance losses. By any rational measure, Soviet standing would be enhanced by writing a humane end to a miserable affair. By denying one scientist a minimal request, and driving him toward suicide, the Soviet state risks years of darkness and disruption in contacts between all its scientists and their Western colleagues.

Perhaps there is someone left in the Kremlin who has the courage to insist on a recalculation of Soviet interests. Mr. Reagan has done his part, minding his words, hoping and praying "that the Soviet Union will do the humane thing" and let Miss Bonner go, and maybe Mr. Sakharov, too.

— THE NEW YORK TIMES.



"It's just as well . . . All our fastest guys are in Pakistan anyway."

## The New Soviet Isolationism: A Sorry Retreat

By Kevin Klose

WASHINGTON — It is no accident that in recent days the long confrontation between the Soviet leaders and their most powerful internal critic, Andrei Sakharov, has reached a grim and eerily silent new level of intensity. Like the nearly simultaneous Kremlin decision to pull out of the 1984 Summer Olympics, the crisis brought on by Mr. Sakharov's apparently ongoing hunger strike is consistent with a broader phenomenon of Soviet retreat from the community of nations.

The shifter effort to blanket the Sakharov case in silence is sadly typical of a new Soviet isolationism that bodes ill for the rest of us.

The Olympics are just games. The Sakharov confrontation is ultimately an unequal contest between one resolute man and a Soviet state relentlessly determined to deny human rights — in Mr. Sakharov's case, the right to medical treatment for his wife. The regime has added a sinister ote by veiling this struggle in silence.

This movement away from the community of nations should not simply be attributed to the dense of détente brought on by the 1979 invasion of Afghanistan. Rather, the retreat reflects the regime's obsessive fear of human liberty, exemplified by its paranoid concern that factual information and normal communication between its citizens and the outside world are a threat to the survival of the Soviet state.

The episodes that illuminate this begin in the Olympic year of 1980. That fall, worried lest its exploited workers gain a coherent sense of the strength and aims of the Solidarity trade union movement that had recently risen up to challenge Communist rule in Poland, Moscow abruptly resumed jamming Russian-language broadcasts of the Voice of America and other foreign radio stations.

That ended nearly 10 years in which Soviet citizens enjoyed — and millions of them did enjoy it — easy access to Western broadcasts. Although Solidarity has long since been suppressed, heavy jamming continues in most major Soviet population centers, according to Mark Pomar, head of the VOA Russian service.

That same year, after allowing more than 250,000 Jews to emigrate in the 1970s, Moscow began sharply cutting back on exit visas. It is commonly thought in America that this was retaliation for the Jackson-Vanik amendment, which tied special trade credits for the Soviet Union to emigration quotas, a link Moscow said it found onerous. But the peak year of Jewish emigration was 1979, when more than 51,000 were allowed to leave. That was five years after passage of the amendment, when Moscow had all but given up hope for a change of U.S. policy on trade.

This fact suggests another end, in my mind, no less persuasive reason why Moscow cut off the exodus.

The regime's original motive for allowing emigration was to rid the country of activists whose rising consciousness of being Jewish before being Soviet was a threat to the party's coercive insistence on moral primacy in the land. But instead of ridding Russia of unpalatable citizens, the mass flight resulted in establishing remarkable new channels of truthful communication — between relatives, neighbors and friends — which penetrated the closed Soviet borders.

As people inside learned truth about life in the West, and as the regime's official anti-Semitic campaign gained momentum, pressure to leave swelled rather than diminished. When Moscow throttled emigration in 1980, more than 350,000 additional Soviet citizens had requested immigration invitations from Israel.

The National Conference on Soviet Jewry in New York believes that 125,000 other Soviet Jews either have been denied exit visas after applying to leave or have received invitations to emigrate but have not even been permitted to apply to leave. Now, about 75 people a month are getting permission to emigrate.

As part of the drive to cut back on access to the outside, the regime in mid-1982 unplugged the country's direct-dial international telephone circuits — installed for the 1980 Olympics. Protests by West European countries were ignored.

The automatic exchanges have been replaced by old-fashioned Soviet operators, ensuring endless delays in putting calls through, and placing the direct management of these communications easily in the hands of the

KGB. The chilling effect of the change is wholly intentional.

Several months ago a new law was promulgated making it a crime for Soviet citizens to pass information obtained from their jobs to foreigners without official permission. This happened in a country where censors, whose existence is never openly acknowledged, already must approve every word before it is printed and every millimeter of film before it is shown to the public.

Starting on Aug. 1, reversing a policy of some years standing, the Russians no longer will accept prepayment of customs duty on mailed parcels from abroad. Under the prepayment scheme, a person living abroad could mail clothing, books or other goods to a Soviet citizen and prepay, in hard currency, the 100-

percent customs duty that the state levies on consumer goods. Prepayment relieved the recipient from coming up with the exorbitant customs charges and added hard currency to state coffers.

But the government apparently felt that it had to have more direct control over the flow of these packages. And it probably wanted to punish those who receive the packages by creating a new economic burden for them. Some of them, particularly Jewish applicants for emigration, have little money to live on as it is.

One final point is relevant: If Moscow cannot control matters it finds unpleasant, it will simply walk away from them.

More than losing athletic contests at the Los Angeles Olympics, the Kremlin feared losing athletes. The

prospect of even one defection in the full glare of global media attention was too unpleasant for Moscow's leaders to contemplate. So they moved to head off any possible losses by refusing to come. This withdrawal has antecedents in the Soviet's resignation last year from the World Psychiatric Association rather than face a vote censuring the regime for its political abuse of psychiatry.

These are the reactions of aged, embittered men whose view of the world is one of extreme suspicion. Battered by the turbulence and strain of three leadership changes in less than two years, today's Kremlin is increasingly influenced by psychological and mental isolation from the world community.

The writer, a former Washington Post Moscow correspondent, is author of "Russia and the Russians."

## The Doubts Surrounding Bill Casey

By William Safire

WASHINGTON — William J. Casey, the director of Central Intelligence, is thought to be deceptive by a couple of congressional committee chairmen.

But first, a declaration of bias: Twenty years ago, I handled Bill Casey's campaign for Congress on Long Island, in New York. We lost. (I took him to a speech teacher to get over the stutter; the speech teacher wound up stuttering.)

Last month, Barry Goldwater, chairman of the Senate Intelligence Committee, castigated the CIA boss for not advising him of the covert mining of Nicaraguan harbors. Mr. Casey replied that he had done so in testimony on two occasions. But the specific quotation was scarce.

After some needling, Senator Goldwater declined the program statement and sent it to me with a note: "Tell me if you think they adhere completely to the legal requirements that the CIA keep its completely informed on covert matters."

The CIA's secret sentence: "Magnetic mines have been placed in the Pacific harbor of Corinto and the Atlantic harbor of El Bluff, as well as the oil terminal at Puerto Sandino."

Senator, that seems pretty straightforward to me. Complete? Of course not — but enough to open a line of questioning. And there may well have been an obligation to advise the Senate beforehand. But Mr. Casey cannot be made out to be a liar.

Comes now Representative Don Albosta. His House subcommittee has looked into the theft of Carter briefing papers by the Reagan campaign staff, which gave Mr. Reagan an unfair advantage in his first debate with President Carter.

James Baker, now White House chief of staff, has a "best recollection" that William Casey gave him the Carter briefing book, and Mr. Baker's loyal side, not surprisingly, says he remembers him telling her that Mr. Casey asserts he remembers nothing of the sort, and says he would not have touched such a document.

Mr. Albosta, in a 3,400-page document, concludes that the evidence indicates that Mr. Casey was the source of the briefing book. A campaign memo casts doubt on Mr. Casey's assurance that he never sought information from the Carter campaign. A minority report disagrees. Where is Truth? We will not find out from Congress. At his own moment of truth months ago, Mr. Albosta choked up. Against the advice of his special counsel, James Hamilton, the chairman decided against holding hearings. That means that to witless as were placed under oath; instead, tame affidavits were accepted.

Now will we find the truth from this Justice Department. The FBI did not investigate at the Carter and as thoroughly as the Albosta committee did. The FBI's report of an interview with Lloyd Cutler failed to discover that the president's counsel had given an oral opinion that the briefing book was a presidential document that could be worked on by government employees. But the Reagan Justice Department asserted the opposite.

Will we ever get the truth in the courts? Federal District Judge Harold Greene has ruled that the attorney general has violated the Ethics in Government Act by refusing to name a special prosecutor in such a case. Attorney General William French Smith, in the grand tradition of loyalty before honor, is taking the case to a higher court, knowing that the case will not be considered until September or decided until months after.

Bill Casey's friends say that too much emphasis has been put on how the papers were obtained, and not on the unfair use to which they were avidly put by the Baker debate operation. But the potential crime was the theft, probably from the National Security Council, and not the use, which was merely corrupt.

And so Bill Casey twists, neither convicted nor cleared. What could have forced the cracking of this case was a little less press cynicism and a little more public outrage.

The New York Times

## The Trial in El Salvador

It took nearly four years for the accused murderers of four American churchwomen to be tried and convicted in El Salvador. The result represents much more an accomplishment by the country's judicial system than by its judicial system. The judicial system is feeble — almost nonexistent — in El Salvador, 10 recent years tens of thousands of civilian murders in that country have not been submitted to any police or court process at all.

Politically, however, as both President-elect José Napoleón Duarte and Defense Minister Engenio Vides Casanova realized, El Salvador needed action in the onus' case. The U.S. House of Representatives was insisting on it as a condition of the aid that sustains the Salvadoran government. The White House had belatedly seen it could not ensure continuing American support of the Salvadorans if they remained unwilling to act against the murderers of innocent Americans.

Given the weakness of the rule of law in El Salvador and the intensity of the pressure exerted by the United States, the conviction of the five former National Guard members predictably stirred questions about the procedures used to obtain the verdict and about whether the five actually committed the crimes. It would be terrible to learn that the trial was a put-up job.

We note, however, this judgment from a

colleague of the slain women, after observing the trial: "There was a thorough body of evidence. I'm in awe of the jury. They showed tremendous courage. So did the judge."

A second question raised was whether officers up the chain, possibly even General Vides Casanova, might yet be held accountable for covering up the crime. The sensitivity here lies in a potential test of the relationship between Mr. Duarte, his country's first popularly elected president to take office in 50 years, and the general, who heads a military establishment converted only recently and reluctantly to the imperative of political oversight.

Could Mr. Duarte prevail in such a test now? In Washington this past week he convinced most people he met of his personal dedication to human rights, democracy and national reconciliation. But he needs the right kind of help from the United States. He deserves enough aid on a timely basis to care for security. He should not be forced into confrontations that he cannot yet win with the military leadership. He cannot be treated like a puppet on an American string.

The trial in the onus' case is exactly the kind of harbinger of change that the election of Mr. Duarte promised. Next should come the trial of those accused of murdering two other Americans, the land reform advisers.

— THE WASHINGTON POST.

## Other Opinion

### In Pursuit of European Unity

President Mitterrand, speaking Thursday before the European Parliament, proposed a series of reforms aimed at lowering some of the well-known obstacles that face the European Community. His proposals reflected good sense and realism.

— Le Monde (Paris).

France is about the most unlikely promoter of a federal Europe that anyone could imagine. Ever since the inception of the European Community the French position has been practically synonymous with nationalism, whether in keeping Britain out, defending French farmers or insisting on the right of veto. Yet here comes Mr. Mitterrand as the new champion of European political union. He offered a vision of a united Europe entering the next century technologically capable of defying the challenges of the rest of the world, self-supporting in food, spreading its culture and exploring space. At the moment his vision looks more improbable than inevitable but that is not really the point. Europe cannot impose unity on itself by an act of will. If European unity is to come it will come only from a natural convergence of interests.

— The Times (London).

### A Time to Push Synthetic Fuels

The escalation of hostilities in the Gulf region re-emphasizes the need for continuing American efforts to develop alternative sources of liquid fuels. The reminder could hardly be more appropriately timed, since that effort is hobbled by a crisis in management of the Federal Synthetic Fuels Corp. and the desire of the Reagan administration to cut current programs by more than \$10 billion. Technical work on developing synthetic technologies should continue, if for no other reason than to demonstrate to oil-exporting countries that the United States has the will to pay higher prices, if necessary, to avoid future blackmail in periods of crisis.

— The Boston Globe.

## FROM OUR MAY 26 PAGES, 75 AND 50 YEARS AGO

**1909: Cuba's Spending Is Debated**  
HAVANA — Señor Enrique José Barón, formerly Secretary of Finance and leader of the Conservative Party, signs an editorial in "La Discusión," remarking that the United States wants peace and economy in Cuba and that if these are not assured the life of the Republic will be short. "El Triunfo," the Government organ, says that it is sheer exaggeration to consider as excessive the estimates of \$34 million in the Budget for the coming year and declares that those who talk in the United States about Cuba's Government being extravagant are entirely ignorant of the Taft Cabinet's attitude. "El Triunfo" also quotes a letter from [provisional Governor] Charles Edwards Magoon to President José Miguel Gómez congratulating him on Cuba's successful start.

**1934: France Firm on Arms Stance**  
PARIS — In a debate on foreign policy paraded with expressions of fear of impending war and French isolation, Louis Barthou, foreign minister, defended France's policy concerning disarmament and the Saar in the Chamber of Deputies [on May 25]. The note to the British government of April 17, which virtually burnt the boats in further disarmament negotiation by laying down that France will not disarm in the face of German rearmament, was explained by M. Barthou as an explicit statement of the policy defined by previous governments. As regards the Saar, M. Barthou reiterated that France cannot permit the fixing of the date of the plebiscite until Germany gives solid guarantees that no reprisals will be taken against those who may have voted against annexation to the Reich.

**INTERNATIONAL HERALD TRIBUNE**  
JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher  
Executive Editor: RENE BONDY  
Editor: FRANCIS DESMAISONS  
Deputy Editor: RICHARD H. MORGAN  
Deputy Editor: STEPHAN W. CONAWAY

PHILIP M. FOISIE, Executive Editor  
WALTER WELLS, Editor  
ROBERT K. MCCABE, Deputy Editor  
SAMUEL ART, Deputy Editor  
CARL GEWIRTZ, Associate Editor

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Telephone: 747-1265. Telex: 617118 (Herald), Cables Herald Paris.

Directeur de la publication: Walter H. Thayer.  
Gen. Mgr. Asia: Alain Lecarré, 24-34 Hennessey Rd., Hong Kong. Tel. 5-255618. Telex 61170.  
Managing Dir. U.K.: Robin Mackenzie, 6 Long Acre, London WC2E 9LT. Tel. 01-63622. Telex 66020.  
S.A. au capital de 120,000 F. RCS Nanterre 873202118. Comptabilité Partielle No. 34231.  
U.S. subscription: \$390 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1984, International Herald Tribune. All rights reserved.

## U.S. Should Press Iran to Talk Peace

By Nicolas Gavrielides and Eric Davis

HIGHLAND PARK, New Jersey — Despite international fears caused by attacks in the Gulf, the United States continues its shortsighted policy in failing to confront the escalating Iran-Iraq war. Until very recently, Reagan administration officials held the view that the war's continuation was beneficial since it prevented both Gulf powers from directing their hostility against U.S. interests in the region.

Following Iranian air attacks on Saudi and Kuwaiti oil tankers, the administration has come close to offering Saudi Arabia and its allies military support. Yet despite the administration's preference for a negotiated solution, Vice President George Bush said in Oman that he saw no American role in negotiations at this time.

Nonetheless, U.S. decisions to facilitate construction of a new Iraqi pipeline to the Gulf of Arabia and to use AWACS aircraft to help protect Saudi tankers against Iranian

attacks indicate both a rethinking of policy and a tilt toward Iraq. However, the disjunction between Washington's statements and actions indicates that it has yet to develop a clear understanding of its interests in the war or of the broader dynamics sustaining the conflict.

A persistent Western misunderstanding has been that the war is primarily motivated by religious differences related to a supposed "revival of Islam." Such explanations neglect the historic nature of the conflict. They also overlook the geopolitical and economic drives in Iran's continuation of the war.

The Ayatollah Ruhollah Khomeini's policies should be seen more as continuing those of previous Iranian regimes than as imposing a new "Islamic order" in the region. With large amounts of petrodollars,

secular and religious regimes have sought to impose an imperialism upon the Gulf throughout this century. With the largest armed forces in the Middle East, the shah demonstrated Iran's power in repressing a popular uprising in the Dhufar region of Oman. Similarly, the ayatollah has tried to dominate or subvert Saudi Arabia, Kuwait and Bahrain. Indeed, the war was prefaced by Iranian-inspired bombings and terrorist attacks in Iraq. What Iranian policies demonstrate then is a consistent desire for control of the Gulf.

The economic disruption accompanying the overthrow of the shah in 1979 threatened Iran's food supply, a problem growing out of the shah's neglect of agriculture. Since only 5 percent of Iran's arable land can be permanently cultivated, Iraq's fertile Tigris-Euphrates delta provided a major incentive for an invasion of the region. That this area is inhabited by Iraqis, who like most Iranians, are Shiites, has allowed the Khomeini regime to obscure its economic motives by claiming it is trying to "liberate" those with a common religion.

Contrary to predictions that Iraqi Shiites would face dual loyalties, they have fought vigorously. For the Shiite and non-Shiite Iraqi soldier, Arab and Iraqi nationalism have proved a much stronger base of identity than the Ayatollah Khomeini's vague notion of an Islamic community stretching from Indonesia to Morocco. Furthermore, Iraq's determination to defend its territory stems from a realization that, as in Iran, a Khomeini victory would mean executions or imprisonment for Muslims, Christians and Kurds.

Apart from the immediate effects on Iraq, an Iranian victory would threaten Saudi Arabia and Jordan as well as the smaller Arab oil-producing states of the Gulf. Iranian influence would surely extend into Syria and further complicate efforts to end the Lebanese civil war. Yet Egypt and Jordan, which have contributed military support to Iraq, are the only Middle Eastern countries that have realized the regional consequences of an Iranian victory.

By failing to comprehend the ramifications of the war and in avoiding direct efforts to bring it to a conclusion, America is losing influence in the Gulf. Military events may force it to choose sides.

Iranian intransigence has negated efforts by Sweden, Guinea and India to promote negotiations on Iranian-Iraqi disagreements, particularly those relating to the Shatt al-Arab waterway. The United States should join with these countries and others in the Islamic Conference Organization and the non-aligned movement to persuade Iran to negotiate. If such attempts fail, efforts should be made to impose international economic sanctions on Iran to force it to accept a negotiated solution.

## Testing, Testing . . . A Crisis Run-Through

By Philip Geyelin

WASHINGTON — As the Iraq-Iran war spilled over into the Gulf with a burst of shooting at oil tankers and other shipping, you could almost hear a stern voice over a loudspeaker repeating: "This is a test . . . This is a test."

That is not to say that the Gulf crisis will not flare up into the real thing: a serious, protracted threat to the economies and security of the world's Gulf oil consumers. But the violence done so far in the oil life-line through the Gulf has provided a richly revealing glimpse of how a lot of interested parties would likely respond to a crunch.

Slowly and cautiously, seems to be the answer. There has been heavy reliance on diplomacy and not much stomach for military measures. There was still less appetite for high-visibility coordination, given the military contingency plans that were dusted off and freely leaked by anonymous policy-makers in the Reagan administration.

There lies what is perhaps the most important test result. Confronted on a small scale with the ingredients of a big Gulf crisis, the United States has been shown to be long on commitments but short on a course of action that would seem likely to satisfy even the newly revealed fire print in Ronald Reagan's commitment.

More than once, the president has vowed to do whatever it takes to keep open the Strait of Hormuz, the crucial gateway to the Gulf. The Pentagon has regularly expressed its confidence that U.S. air and naval power could shoot its way through, and it counts on that to keep the oil flowing. The United States could put troops ashore as a last resort. But this was pre-Lebanon. It was before that yellow Mercedes truck, with its smiling driver, smashed through the barricades at the U.S. Marine compound in Beirut; before the United States walked away from

its commitments to the Lebanese. Though Mr. Reagan reaffirmed his Gulf pledge recently, he did so with sensible restraint and a necessary recognition of the new reality of diminished U.S. influence. He was consulting with allies and "those nations that would be affected," he said. "We're not contemplating anything unilaterally."

He could not foresee any circumstance in which U.S. interests would be so threatened as to require action without an invitation, or even the use of American troops.

Meanwhile, however, U.S. contingency planners were floating scenarios that would require access to air bases in Saudi Arabia or Oman. The administration's familiar wild bunch talk of air strikes against Iranian air bases, not bothering to ask themselves what kind of terrorist retaliation this would invite.

Small wonder that the first instinct of the Gulf states was to huddle among themselves, to plan their own joint defense, to reach out to the wider Arab world. Nobody seemed to want to get on the Khomeini hit list by open alliance with the Great Satan.

Oil experts in the United States and elsewhere took comfort in the current oil glut, in conservation measures, in large strategic reserves, said in what they hoped would be relatively minor increases in oil prices as a consequence of rising insurance rates for Gulf tankers.

Not even the French and the British, who have military forces in the area, were volunteering openly to coordinate a standby strategy with the United States.

But all this could change drastically if Iran or Iraq creates the kind of high crisis that would transform the atmosphere and concentrate the minds of many now inclined to keep their distance from almost any U.S. rescue effort.

The Washington Post.

Eric Davis, a Rutgers University political scientist, and Nicolas Gavrielides, an anthropologist at the State University of New York at Cortland, are studying the impact of oil wealth on social change in Arab oil-producing countries. They contributed this comment to The New York Times.

## LETTER

### What the USIA Did

In his May 14 article entitled "CIA Said to Give \$1.4 Million to 2 Salvador Parties," Philip Tombsman, writing about three trips arranged for foreign journalists to Central America, says it is "unclear" how these tours were funded. The U.S. Information Agency sponsored tours for European print and television journalists in October and December of 1983 respectively and for one Colombian and several Venezuelan journalists in February 1984. These foreign journalists were paid for in part with USIA funds appropriated for this purpose by the Congress and occasionally in part by the media organizations of the participants.

These particular tours traveled to Guatemala, Honduras, Nicaragua and Costa Rica, in addition to El Salvador. We helped schedule interviews and meetings across a broad political spectrum.

Tours for foreign journalists are a legitimate and long-standing function of the USIA in explaining U.S. foreign policy to audiences overseas. These tours are carried out openly by the USIA, by our posts abroad and by our Foreign Press Centers in the United States.

Phil Geyelin of The New York Times accurately described our tour of Central America for foreign journalists last October, as providing facilitative assistance for journalists on the premise that a better understanding of the situation in Central America will help build support for United States policies in that area.

CHARLES Z. WICK,  
Director, USIA,  
Washington.



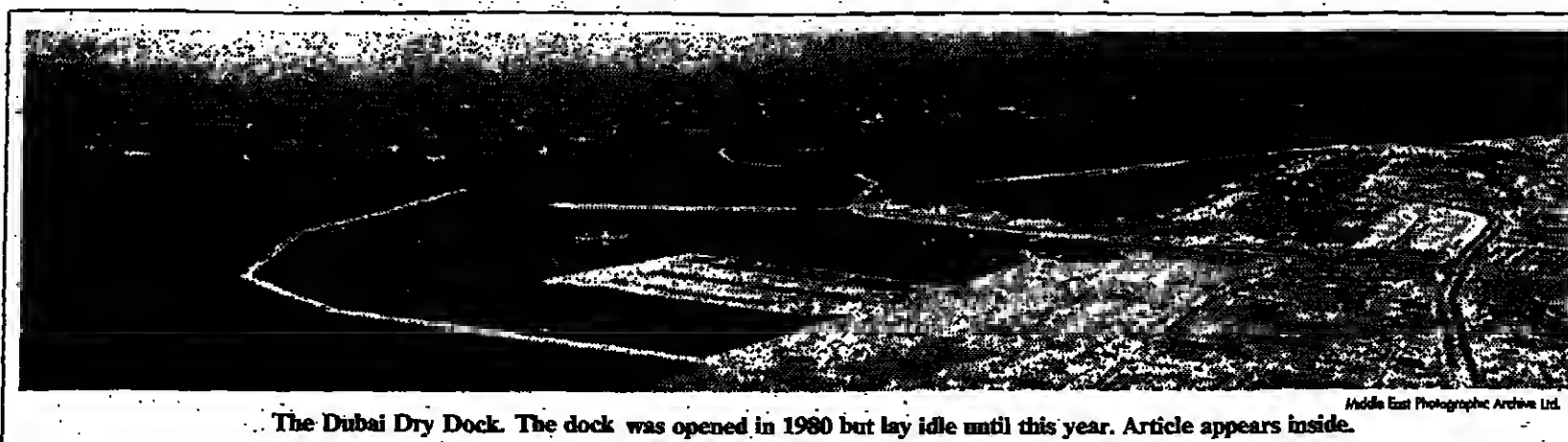
Herald Tribune

## UNITED ARAB EMIRATES

A SPECIAL ECONOMIC REPORT

SATURDAY-SUNDAY, MAY 26-27, 1984

Page 7



The Dubai Dry Dock. The dock was opened in 1980 but lay idle until this year. Article appears inside.

## Oil and Gas Exploration Sets Fast Pace

By Sarah Seagrath

ABU DHABI — Activity in the United Arab Emirates for oil and gas exploration and development is one of the busiest in the Gulf. Last year, Dubai released nine new concessions to a variety of oil companies that are now assessing seismic results, and production from Abu Dhabi's gas condensate field at Marjani will begin later this year.

The gas flare that irradiates Sharjah's desert from its Saja's gas condensate field will be drastically dimmed when the new liquid petroleum gas (LPG) plant starts production in about two years. The main contract for equipment was recently awarded to Japan Gas Co. Ras al-Khaimah is already producing about 5,000 barrels a day from its offshore Saleh field, which is being stored offshore, although talk of downstream ventures is premature. Abu Dhabi remains, however, by far the largest and most sophisticated producer in the emirates.

The Emirates' oil and gas emerge from ground and sea in a remarkable combination of alliances between local governments and foreign participants. In the mid-1970s, when most of the other Gulf countries were moving toward total nationalization of their production, Abu Dhabi restricted itself to 60 percent of the shareholding of its two major concessions, one offshore, one onshore, which remained the pattern for later commitments.

Similarly in Dubai, Sharjah and Ras al-Khaimah, concessions are owned by foreign oil companies, the individual governments stepping in as equity shareholders in the event of production. Such combinations are bound to have their stresses, not least because the federal Ministry of Petroleum has little effective control outside of Abu Dhabi, home of the minister, Mana al-Oteiba. Raw materials belong to the emirates individually. Second to Abu Dhabi in oil production is Dubai, which does not feel beholden to the Organization of Petroleum Exporting Countries although allowed for in the OPEC production quota for the Emirates.

(somewhat to the embarrassment of Mr. al-Oteiba, who heads the OPEC monitoring committee). The same applies to Sharjah and Ras al-Khaimah.

With Dubai generally not acknowledging OPEC, Abu Dhabi has borne the brunt of 1983 production cuts. Because of demands for associated gas, cuts have been mainly offshore (down to about 200,000 barrels a day); particularly in the Lower Zakum field of the Abu Dhabi Marine Areas Operations Co.'s (ADMA-OPCO) concession, owned 60 percent by the Abu Dhabi National Oil Co. (ADNOC), with the remaining 40 percent split between British Petroleum (BP), Compagnie Française de Pétrole (CFP) and the Japanese Oil Development Co. (JODCO) — more than half of Abu Dhabi's oil goes to Japan. Each partner makes its own share.

All associated gas from ADMA's fields is piped to Abu Dhabi Gas (ADGAS) LNG/LPG plant on Das Island, at present the only such plant in the Gulf, where it is processed for export. Here, ADNOC

has a 51-percent stake, the rest shared between BP, CFP and Japan's Mitsui. All production goes to Tokyo Electric. ADGAS has suffered from an acute shortage of associated gas because of cuts in crude, and it has presented ADNOC with the dilemma of deciding where to replace it from: Once gas is out of the ground it belongs to the government — that is, ADNOC. At the moment, ADGAS is topping up with cap gas from the Uweinat formation, drawing on a source likely to be needed in future to maintain crude production. CFP in its Total-Abu al-Bukhoosh field penetrated the rich gas-yielding Khuff formation last year; the good results were handed over to ADNOC, which has just completed a second well there. ADNOC had previously found gas in the Khuff in the Umm Shaif field.

Whichever source is chosen — and Umm Shaif at least has some facilities to hand — getting the gas to ADGAS is likely to take two years.

Abu Dhabi crude production also has to take into account pro-

duction from the Upper Zakum field, currently "testing" at 80,000 to 100,000 barrels a day. This is owned 88 percent by ADNOC, 12 percent by JODCO, with CFP as operator.

Refineries at Umm al-Nar and Ruwais remain the core of Abu Dhabi's downstream operations. Other ventures include GASCO and the fertilizer plant, Fertal, at Ruwais owned by ADNOC (two-thirds) and CFP (one-third) and operated by CFP. Present production of 1,500 metric tons of urea goes mostly to India and China.

In Dubai, there is so far no national oil company, and oil affairs are generally the concern of one of the ruler's sons, Sheikh Mubarak bin Rashid. Crude production is all offshore from a concession owned by several oil companies and operated by Dubai Petroleum Co., a wholly owned subsidiary of Cosoco. Current production is estimated at about 390,000 barrels a day but the field may be on the decline.

In Sharjah, the concession of the Saja's field of gas condensates is owned by Amoco, which under an old-style agreement also owns the production (about 55,000 barrels a day) but pays 14.5 percent royalties and a tax of 77 percent on profits. Production of around 55,000 barrels a day of condensates is exported mainly to Japan.

## Domestic Issues Worsen Economy's Stagnation

By Ann Fyfe

ABU DHABI — Though the immediate causes of the United Arab Emirates' economic plight are external and relatively recent, indigenous factors have combined to keep some of the emirates in a state of stagnation that is outlasting the boom period of the 1970s.

Drawbacks such as a small population and a limited market, excessive duplication of companies and lack of competitiveness with foreign products are beginning to be acknowledged, but public debate on protectionism and tight immigration controls is still far from finished.

As trading results for 1983, a poor year, have become known this quarter, an air of expectation has been created in which the private sector is looking to the government for some kind of nationwide rescue. Such a rescue has been made before in recent U.A.E. history. But this time the sum of money involved is larger, and the government's readiness and, indeed, ability to meet it is more controversial.

The federal Ministry of Trade and Economy submitted a memorandum to the cabinet in March outlining the causes of the recession. Sharply declining oil revenue headed the list, followed by the Iran-Iraq war; the South al-Manakh crash in Kuwait and its effects on regional liquidity; layoffs in the state sector due to austerity measures; the effects of adverse sentiment on consumer spending; and the repatriation of profits by foreign companies.

Figures for oil revenue tell a depressing tale. Total revenue was down from 45.5 billion dirhams in 1981 to 34.6 billion dirhams in 1982, a drop of almost 25 percent, and it fell a further 15 percent in 1983 following the March price cuts. Revenue according to the federal budget in 1982 was estimated at 20,276 billion dirhams but amounted actually to 16,050 billion

dirhams. Expenditure for that year was budgeted at 22.6 billion dirhams but reached only 19,255 billion dirhams.

In 1983, total estimated revenue fell to 12.9 billion dirhams in the federal budget, against estimated expenditure of 18,406 billion dirhams. Agreement on a budget for 1983 was not reached until August; this year, efforts to get the budget out earlier have been intensified but Finance Ministry officials have made it clear that the package will not be any larger in size.

A negligible 4 billion dirhams was allocated for new projects in 1983. As a result, the total value of all projects under construction or planned fell last year. In 1982, the total value of all such projects had been 14,579 billion dirhams; at the end of December 1983, because projects on which no firm commitment had been made were canceled, the total fell to 11,765 billion dirhams. Expenditure for projects is 33 percent complete, and no new programs have been added.

In Abu Dhabi, the largest emirate, the development program for 1983 was budgeted at 6,245 billion dirhams, compared with an estimated 7 billion dirhams and an actual expenditure of 5,636 billion the year before. More significantly, 120 projects were canceled.

Even without the oil glut, government expenditure would have had to stop growing exponentially sometime, given the vast number and size of infrastructural and other projects and the speed with which they were commissioned in the 1970s. It was the leapfrogging budgets of the 1970s to which the private sector grew accustomed, however, and companies have not yet learned how to live with government expenditure that dropped as much as 41 percent between the final quarter of 1982 and the final quarter of 1983.

To list the effects of the recession on U.A.E. companies is all too easy in an economy so heavily depen-

dent on government spending. Fewer projects and delayed payments for work done has led to cost-cutting and layoffs; dismissed expatriate workers cannot change their jobs because of a rule that requires them to leave the Emirates for at least six months before applying for a new visa; state-sector employees, also worried about layoffs, are not spending money. Retail sales are down, as are hotel occupancy rates and rents. Above all, the banks that finance commercial operations are saddled with an unhealthy amount of nonperforming loans.

Abu Dhabi, the Emirates' principal oil exporter, has been more sharply affected than some of the other emirates, in contrast to its experience in previous low cycles. Average rents, for example, fell 48 percent during 1983 in the federation as a whole; in Abu Dhabi the average rent for a two-bedroom apartment — an average unit of accommodation — slumped 50 percent, from 5,833 dirhams a month in January 1983 to 2,918 dirhams in January 1984. In Dubai, rents were stable during the year, the northern emirates having experienced their shakeout some years ago.

The state, in the form of the Central Bank and the Dubai government, has intervened to support one of the country's largest locally owned banks, Union Bank of the Middle East (UBME), and the Central Bank is negotiating with larger, more liquid banks a formula to induce them to put part of their overseas assets back into the U.A.E. banking system. Last November, at the same time the support package was being put together for UBME, representatives of the Bankers' Association, the Central Bank and the Federation of U.A.E. Chambers of Commerce and Industry were meeting to discuss the burden to companies of interest repayments to their bank-

(Continued on Next Page)

## Profits Up for Smelting and Shipping

DUBAI — Public-sector heavy industry in the United Arab Emirates, outside the oil and petrochemicals industry, means the DUBAL aluminum smelter, Dubai Dry Docks and the cement industry. All these businesses are affected by world trade cycles. Some, even before the current downturn, were seen as white elephants.

It is an achievement, therefore, that DUBAL and the dry docks are adopting a more optimistic tone in their 1983 reports, though DUBAL admits that pricing operating costs has played a part in its achievement. The cement industry, by contrast, has never sounded more bearish.

DUBAL uses the word "profitability" in its 1983 annual review, stating that the significant recovery in aluminum prices in 1983, "combined with further reductions in DUBAL's unit costs of production and an increase in the sales of premium products, enabled the company to achieve a modest profitability by the end of the year." The construction of the smelter was financed by international borrowings of about \$1 billion, starting in 1977. Last year was the smelter's second year in full production, and

output exceeded rated capacity by 12 percent to reach 151,170 metric tons. Significantly, 1983 reflected a major marketing breakthrough: more than 16,000 tons of extrusion billet (about 11 percent of total output) was sold to the coveted U.S. market, following successful trial sales in 1982. Japan continues to take the bulk of the remainder.

The company detects signs of a lasting improvement in world aluminum prices and predicts that they may strengthen further in 1984. In 1982, however, DUBAL embarked on a staff-cutting program that brought manpower down from 1,502 in March 1981 to 1,292 at the end of last year.

If the dry docks and the smelter are able to make more optimistic noises in 1984, the Emirates' cement industry is not. Seven plants are now producing: at Al-Ain (with a rated production capacity of 750,000 tons a year); Dubai (500,000 tons); Sharjah (250,000 tons); Ras al-Khaimah, which has two plants (a million tons each, one for export to other Gulf states); Fujairah, which came on stream recently with capacity of 520,000 tons; and Ajman, which began operations in the last week of April. A

company has been formed to build an eighth, in tiny Umm al-Qawain, and the Emirates' first white-cement factory is under construction in Ras al-Khaimah. Four million tons a year of production capacity far exceeds domestic demand, which is estimated at no more than 2.3 million tons.

A recent survey of manufacturing industry by the Dubai Chamber of Commerce and Industry shows industrialists listing as their main complaints competition from foreign products, the small size of the local market and the high cost of financing. All these are applicable to the cement industry. The high cost of fuel, which is no longer subsidized, is an additional problem for energy-intensive cement. Some plants hope to be linked to the Northern Emirates Gas Grid, which is due for commissioning this month. It will initially supply natural gas from Amoco's Saja field in Sharjah to the Ministry of Electricity and Water's power stations in the northern Emirates, in place of more expensive distillate fuels.

As a result of low sales and high costs, local cement manufacturers had to cut the price per bag of their

product last year and are now seeking government intervention in the form of tariffs on imports. Meetings with the relevant ministries have been held to this end. Oman, until recently a buoyant market for U.A.E. cement, now has its own cement industry and has won the right to protect it with its own tariffs, against the Gulf Cooperation Council trend.

Presumably the oversupply would not have come about if tight central planning controls had been in force when the plants were on the drawing-board. Abu Dhabi has its own General Industries Corp., which is responsible for all nonoil industries in the public sector and private sector alike.

With indigenous labor so scarce, the market so limited and competition so fierce, heavy industrialization outside the oil and oil-related spheres was not an obvious choice, to outsiders, for Gulf governments, and has now gone out of fashion. Still, existing facilities, which have had to survive this difficult period by tightening their belts, may be well-placed to benefit from the next world economic upswing.

— ANN FYFE

## A Constitutional Frame

The Emirates has survived for longer than any other Arab federation in modern times, for a number of reasons, not least of which is that its constitution is not a recipe for transforming seven very unequal political entities into a uniform community.

By Franke Heard-Bey

ABU DHABI — Most countries of the industrialized world have experienced little change in their statehood and political framework over the last 20 years. During that period the United Arab Emirates has witnessed such unparalleled economic growth and drastic transformation of its environment that the outside observer is mesmerized by the material manifestations of development.

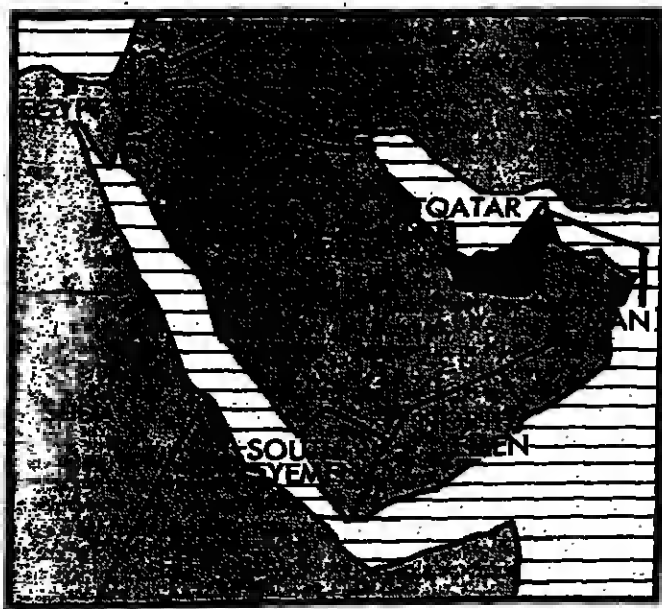
But how do the political structures of the Emirates of today compare with the means of government that came about when oil was first exported in 1962? In this short span of time a political system was developed, which now combines on the one hand the direct and simple forms of political interaction within a small community of tribally related and economically equal families, and on the other hand the sophisticated checks and balances required to hold together a modern federation.

Before the discovery of oil, the few natural harbors that existed on the shallow southern shores of the Gulf between the foot of the Qatar peninsula and the cliffs of Cape Musandam became focal points for the tribal families that managed to eke out an existence with very limited resources and under extreme climatic conditions. The people relied for their staple food on dates and on milk from camels and goats. The meager grazing had to be sought by following the erratic winter rains in the trackless sandy desert or in the dry valley of the mountains bordering on Oman.

The coastal settlements, which developed rapidly in size and importance throughout the 19th century, were the centers of the pearling industry, which provided the main source of cash for the settled society on the coast as well as for the semi-nomadic population in the hinterland. While the markets for Gulf pearls continued to expand, supplying India as well as Europe and the United States, ports such as Dubai, Sharjah and Abu Dhabi became trading centers, importing commodities including rice, sugar, coffee, wood, silver and cloth. To facilitate the collection of customs duties on imported goods

(Continued on Next Page)

Franke Heard-Bey, who works in the Center for Documentation and Research in Abu Dhabi, is the author of "From Tribal State to United Arab Emirates," Longman, London and New York, 1982, and "The Arabian Gulf States and the Islamic Revolution," published (in German) by the German Institute for Foreign Policy Research in Bonn.



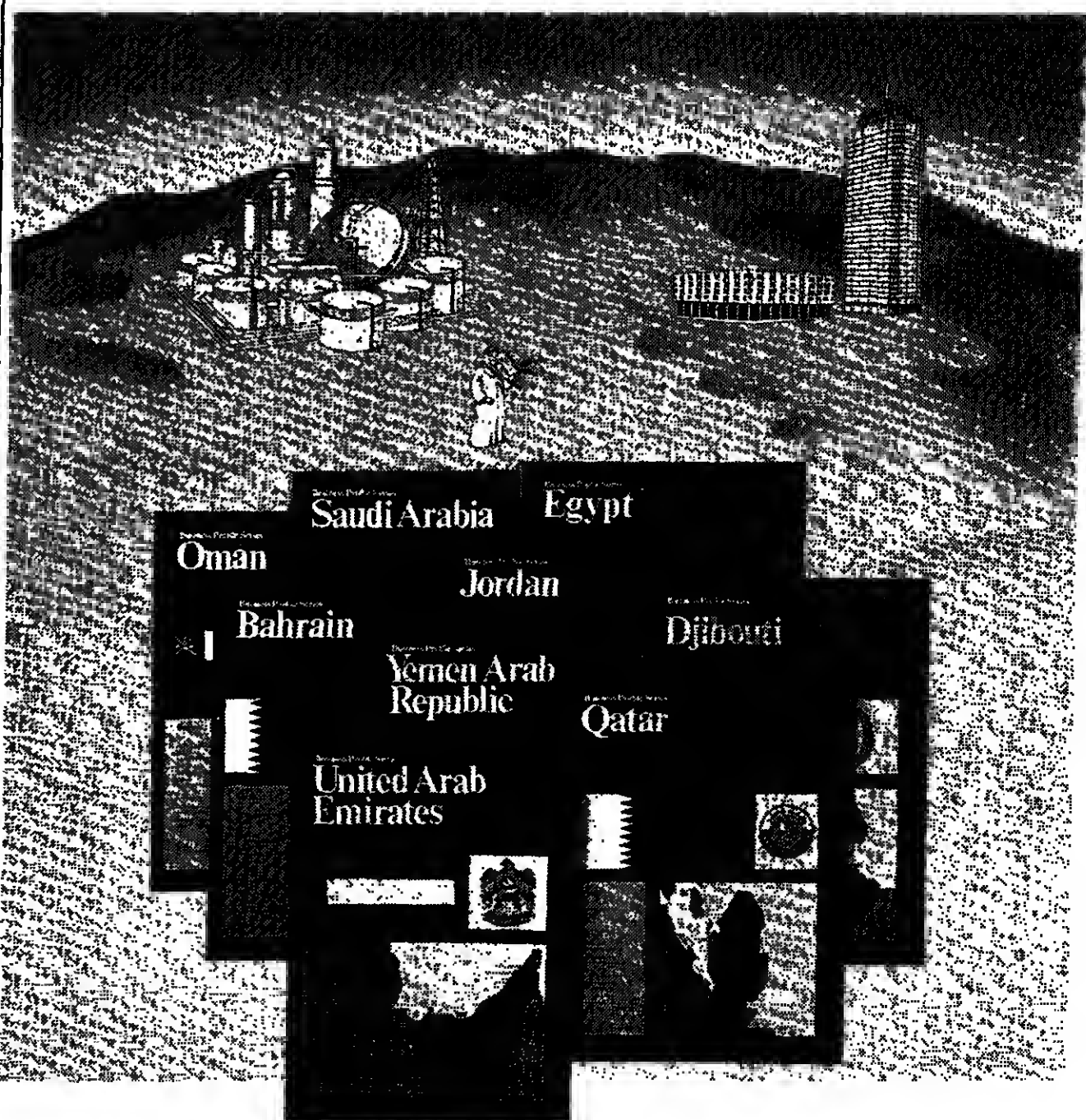
## BASIC DATA

The United Arab Emirates is composed of Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah and Umm al-Qawain, which came together as an independent state on Dec. 2, 1971.

AREA: 32,300 square miles (92,100 square kilometers). Population (1980): 1,040,275.

INDUSTRY: The main industries in Abu Dhabi relate to the construction industry and to oil and gas extraction; there is also a steel rolling mill. Dubai has a cement factory of 500,000 tons annual capacity, and a dry dock. Twenty companies are fully operational at the complex in Jebel Ali consisting of a liquefied petroleum gas plant. Sharjah has a cement factory and various manufacturing estates. Ras al-Khaimah also produces cement and crushed rock.

CURRENCY: The dirham = 10 dinar = 1,000 fils. 1 dirham = \$3.67.



## Explore

If you're considering business in the Arab world, talk to The British Bank of the Middle East. As part of the Hongkong Bank group, we have over a century's international banking experience in opening up new markets.

Our Business Profiles on Arab countries, which come as a direct result of intimate market knowledge, are only

one example of the many specialist services that we provide.

Today, with more than 1000 offices in 54 countries, concentrated in Asia, the Middle East, Europe and the Americas, the Hongkong Bank group gives you access to a complete range of financial services. The group's presence also extends to Saudi Arabia and Egypt, through its associate banks, The Saudi British Bank and Hongkong Egyptian Bank S.A.E.

For a copy of the Business Profile that interests you, write to us at Box 64, G.P.O. Hong Kong, or any branch of The British Bank of the Middle East.

## The British Bank of the Middle East

Bahrain Djibouti India Jordan  
Lebanon Oman Qatar Switzerland  
United Arab Emirates  
United Kingdom Yemen Arab Republic

member Hongkong Bank group

London Branch: Victoria House, 101, Victoria Street, London W1 3BA, Tel: 01-593-1111. Telex: 01-593-1111. Fax: 01-593-1111.



## UNITED ARAB EMIRATES

## Indigenization Law Alters Labor Trend

DUBAI — Because of the unparalleled economic boom that the United Arab Emirates enjoyed in the 1970s, the labor force doubled in size in just five years between 1975 and 1980.

The magnitude of the problem of regulating labor practices and ensuring that the minority of U.A.E. nationals were not left behind in the rush becomes plain if it is borne in mind that the overwhelming majority of these new workers were immigrants from different cultures speaking different languages. Accordingly, the 1980 labor law was a major milestone in the Emirates' modern history. Not only does it represent the first federal-wide attempt to grasp this gigantic nettle, but it introduced from scratch a comprehensiveness and sophistication on a par with the most advanced legislation in developed countries.

If the Emirates was to acquire a modern infrastructure virtually from zero with the speed made possible by the oil boom of the early 1970s, it was clearly not going to do so with the population of just 180,000 that it had before independence. A population mostly unacquainted with modern skills. Mass immigration ensued; in this respect the Emirates' experience has been the same as that of its Gulf neighbors — but more extreme. The work force expanded by more than 90 percent between 1975 and 1980, from 288,051 to 547,062.

The percentage of U.A.E. citizens in that total is so small as to be highly controversial. Ministry of Planning statistics appear in the Arabic-language press from time to time, and recent quotations put the percentage of immigrants in the construction sector, for example, at 99 percent and in the vital petrochemicals sector at 98 percent. Not surprisingly, immigration is a large issue in public opinion in the Emirates.

The 1980 labor law's attack on the potential danger to U.A.E. nationals' employment prospects is two-pronged, through its compulsory priority for U.A.E. citizens and its powers to oblige employers to take on U.A.E. trainees. Under the system, every application to import a foreign employee has to be approved in advance by the Ministry of Labor and Social Affairs.

The ministry maintains a register of available U.A.E. nationals and their skills. If a suitably qualified national is available for the vacancy, the applying employer is obliged to accept him. Naturally, this provision is used more frequently

to certain categories of jobs than others. After U.A.E. nationals, the next priority is to be given to Arab nationals. An employer seeking a collective visa for 25 or more workers must fill at least 30 percent of those vacancies with Arabs from any Arab country. Three-quarters of all U.A.E. citizens in the work force are in traditional farming and fishing or in the civil service. U.A.E. nationals account for 31 percent of Federal Civil Service manpower, a much larger proportion than in any other field. Civil service recruitment is no longer expanding, however, in this age of austerity.

Total manpower fell from 40,463 civil servants at the end of 1982 to 38,445 at the end of 1983. The powerful Committee on the Rationalization of Expenditure has persuaded most ministries to cancel all vacancies except in cases of dire need. The result has been indignation press comment on cases of U.A.E. graduates who have been refused public posts to which they felt entitled.

An added complication is that the Emirates, like most non-Communist countries, has too many arts graduates and too few science graduates. Today's individual hard-luck stories of jobless graduates are probably a temporary hitch, however, as such graduates will eventually replace expatriates in the civil service.

Private-sector employment is a different matter. Technical secondary schools have not been very successful with the public, and government proposals for a higher vocational-training institute meet with curious strong aversion when raised in the National Assembly. It is a cultural problem, an inclination toward administrative or business careers rather than technical jobs.

Advice is being sought from the International Labor Organization toward a long-term solution. As a first step, a specialized department has been set up in the Ministry of Labor and the next move will be a survey of potential candidates who might be qualified and willing to enter technical training.

In the interim, the ministry is empowered by the 1980 labor law to make the private sector shoulder some of the responsibility for training. The ministry administers a form of training contract between U.A.E. candidates and companies, defining the rights and obligations of each, and giving the trainee the best chance of a job after his training.

—ANN FYFE

## Constitution Gives Emirates Room to Maintain Identities

(Continued From Previous Page)

and of taxes on the pearling community, and in response to the increasing need for administration and jurisdiction, the tribal rulers chose the ports as their seats of government.

In 1820 the British government of India concluded the first truce with eight tribal leaders on this coast in order to guarantee peace at sea for shipping in the Gulf — hence the name the "Trucial States." Subsequent treaties and agreements resulted in the eventual exclusion of European and American competitors from the same economic opportunities as Britain in the region. The negotiations with an outside power and the formal recognition of a new tribal leader as ruler of a particular state enhanced the position of the coastal leaders partly at the expense of the tribal leaders in the interior.

The fact that all the rulers were on an equal footing vis-à-vis the British government made it virtually impossible for one of them to try to dominate the entire territory. In 1951, Kalba was absorbed into Sharjah but the recognition in 1952 of Fujairah, also on the Indian Ocean coast, as being independent from Sharjah, restored the number of Trucial States to seven.

When in January 1968 the Labor government decided to relieve Britain of its costly responsibilities east of Suez, most of the sheikhdoms of the Gulf were suddenly faced with the need to prepare for complete independence within three years. Not only had the apparently distant British government handled contacts between the sheikhdoms and the outside world, but, as the search for and, in due course, discovery of oil turned the attention of many to the prospect of great wealth, London

became also increasingly involved in organizing domestic affairs.

While some of the Trucial States, in particular Dubai and Abu Dhabi, had by the late 1960s established government departments and municipalities through which to organize the rapid development of their infrastructure, the smaller and more remote emirates were still run from the *majlis*, the reception room of the ruler, who laid down the law on all matters big or small concerning tribal community, for whom he felt a personal responsibility.

Thus, the seven individual states were still in the process of building their own governmental structures when they responded to the initiative of the rulers of Abu Dhabi and Dubai, who, in the spring of 1968, proposed the formation of a federation. This state as originally proposed was also to include the geographically remote and economically more developed emirates of Bahrain and Qatar. In the summer of 1971, after three years of intensive political bargaining over the form, size and constitution of the federation, Bahrain and Qatar opted out — in part, at least, because the clouds of external threats to their sovereignty had blown away.

In July 1971, the Trucial States, which had never been bound together constitutionally, even though they share a common social and economic background, agreed to the formation of the federal state of the United Arab Emirates. It was formally proclaimed on Dec. 2, 1971.

The newborn federation's political framework was an adaptation of the constitution that had been drafted by the group of nine states. The intention was that this "provisional constitution" should primarily enable the establishment of the

new state and that five years later it would be replaced by a permanent constitution. But when the time came, the provisional constitution was given a new open-ended lease of life in preference to a proposed politically more balanced textbook version.

The Emirates has survived for longer than any other Arab federation in modern times, for a number of reasons, not least of which is that its constitution is not a recipe for transforming seven very unequal political entities into a uniform community. It is a set of guidelines and it is a frame within which they can — and do — grow closer together.

In many important fields this process is far from complete. The imposition of various clauses allows for coexistence of different interpretations and rarely leads to the aggravation of formal constitutional disputes. Instead, when controversial situations become a matter of political urgency and required a federal solution, they were resolved by the traditional methods of discussion and compromise. Thus, the proliferation of individual state legislation or the differences in immigration procedures or business regulations should not be regarded as weaknesses that are there to stay.

In this way it has been possible not only to keep the seven states constitutionally united, but the individual emirates have been welded together through the common experience of novel development encompassing the entire country. Each local authority has its own policy for expanding urban areas, for industrialization or for improving services — depending on the emirate's location and its financial means. The federal administration has systematically penetrated the entire country and, starting with the construction of roads, houses,

hospitals, schools, mosques and markets, has firmly established the overall importance of the federal government as the prime source fulfilling the population's expectations.

In a country that ranks high among members of the Organization of Petroleum Exporting Countries, funding development at home should, in principle, present no problem; however, sovereignty over natural resources still rests with each individual emirate. Although an agreement was made in 1980 to apportion half of each emirate's income from oil directly to the federal government, in practice Abu Dhabi has always been seen by many as the guardian of the country's purse strings.

In line with increasing oil prices, the federal budget grew from about \$25 million in 1972 to a peak of \$64 billion in 1981. But oil prices and exports have fallen considerably, and the federal authorities have had to adjust to a reduced flow of funds.

Two decades ago when the population of the Trucial States was barely 100,000, the seven rulers were all personally involved in regulating every aspect of the affairs of their small communities. Today, the central government and the local authorities have to direct most of their administrative efforts toward an anonymous population that has swelled to more than one million because of large-scale immigration.

Even though the immigrant labor force is considered transient, the population imbalance has had the effect of creating a sense of national belonging and pride in being a true citizen of the Emirates. This might not otherwise have been achieved so easily, considering the traditional political role of tribal affiliations.

## Banking Sector: A Controversy Over Doubtful Debt, Central Bank Role

DUBAI — For many medium-sized and smaller banks in the United Arab Emirates, 1983 was a year of accumulated difficulties. Their end-of-year results, appearing this quarter, show profits of only modest growth. For a solution in 1984 all eyes are on the government, which has already intervened to shore up the Union Bank of the Middle East (UBME).

In the prevailing climate the philosophical musings of bankers a year ago — like the idea of nationalizing foreign banks to some degree — have faded from the scene. Today, minds are concentrated on the urgent problem of poor-quality assets and the issue of Central Bank control, which are two sides of the same coin.

No reliable figures are available for the total sum of doubtful or written-off debts, although there is no shortage of speculation on the subject. The banks worst affected are those that opened to the middle or later 1970s, when the best-quality risks for which the new banks competed fiercely are today ill-placed to withstand the payments delays, absence of government con-

tracts and decline in retail sales and rents that characterized 1983 and seem likely to persist in 1984. This is not to say that the larger banks are unaffected; slow-performing loans feature in all portfolios.

Total bank lending declined in the first quarter of last year from 40.1 billion dirhams in December 1982 to 37.7 billion dirhams in March 1983, then revived slightly to reach 41.69 billion dirhams in June 1983, the latest date for which Central Bank statistics are available.

Trade continues to absorb more than one-third of all bank credit, with 37 percent in June 1983 in the federation as a whole and 44 percent in the Dubai sector. Construction still comes second, with 29 percent of all U.A.E. credit and 46 percent in Abu Dhabi. Both sectors are highly vulnerable to the current downturn, although some banks report an increase in letters of credit opened in recent months.

The grace period for reducing the proportion of any bank's lending to its own directors — to 5 percent of its capital to any one director and 25 percent to the

board as a whole, as ordered by the Central Bank in 1982 — expired at the end of 1983. The governor of the Central Bank, Abdul-Malik al-Hamad, is on record as saying that the required ratios are now "largely" in force, but it is no secret that not every bank has managed yet to meet the target completely.

The regulation had to be relaxed twice after it was first circulated, in November 1982 to exempt such loans to directors as were covered by certain guarantees, and in July 1983 in respect of the definition of capital.

Lending to directors has been the most controversial area in which the Central Bank has tried to exercise control and was one of the contributory factors in the UBME drama of last November. Abdul-Wahab Galsadri, originally chairman of UBME and one of Dubai's most prominent businessmen, resigned and was replaced by the minister of state at the Ministry of Finance, Ahmad Humaid al-Tajer, who also now chairs Commercial Bank of Dubai following board changes there.

Central Bank and Dubai government support to UBME is reliably thought to have been in the region of 1.4 billion dirhams. Receivers, assisted by accountants of Peat Marwick Mitchell, have been appointed to oversee the distribution of Mr. Galsadri's assets to his creditors. According to the most recent official statement, of April 19, the government of Dubai has acquired the Galsadri holding company's shares in the bank and subordinated for new ones, thus gaining 73 percent of the shares in UBME, and

the Central Bank has acquired Mr. Galsadri's Hyatt Hotel and adjacent Galleria apartments complex.

At the time, gossip in the banking world centered on which bank would be next in line for state intervention. Opinion was divided between those who were convinced that more support operations would have to be launched and those who felt that the authorities might see fit to allow one bank to fail as an example to the others. Neither event has come to pass, but anxiety over poor-quality assets is still high.

On Nov. 8, the Bankers' Association and the Federation of U.A.E. Chambers of Commerce and Industry held a meeting with the Central Bank about loans that had been repaid by contractors and were having trouble repaying on schedule. Nothing has been announced, but much comment followed in the press on the likelihood of a state rescue operation.

On the deposits side, the wide gulf in size and credibility between larger and smaller units, long a trait of U.A.E. banking, is exacerbated by the uneven distribution of deposits. Depositors, including governments, favor the high-quality names. Newer entrants on the scene have been forced to offer below-the-counter premiums which they can ill afford — to attract the all-important individuals funds.

Federal government bodies and the Abu Dhabi government have a policy of placing all their deposits with locally incorporated banks,

specifically the larger ones. Local government departments in the northern Emirates are not bound to do so, however, and banks complain of the rates these bodies demand.

Government deposits are in any case declining substantially. In December 1982, they amounted to 4.7 billion dirhams, or 13 percent of total deposits, whereas in June 1983 they had fallen to 3.7 billion dirhams, or 9.8 percent of the total. Private individuals' deposits, by contrast, advanced in the first half of 1983 to 19.66 billion dirhams, or 53 percent of total deposits, compared with 48.5 percent in December 1982 and 44.5 percent in December 1981.

For some years, the measure that the Central Bank has been urging on the smaller banks with smaller deposit bases has been merger. Despite the obvious merits of such a step, merger is in fact, because of the family nature of most U.A.E. businesses, the least likely course of action for the small banks to take voluntarily. More concrete Central Bank measures have yielded positive results, on the other hand.

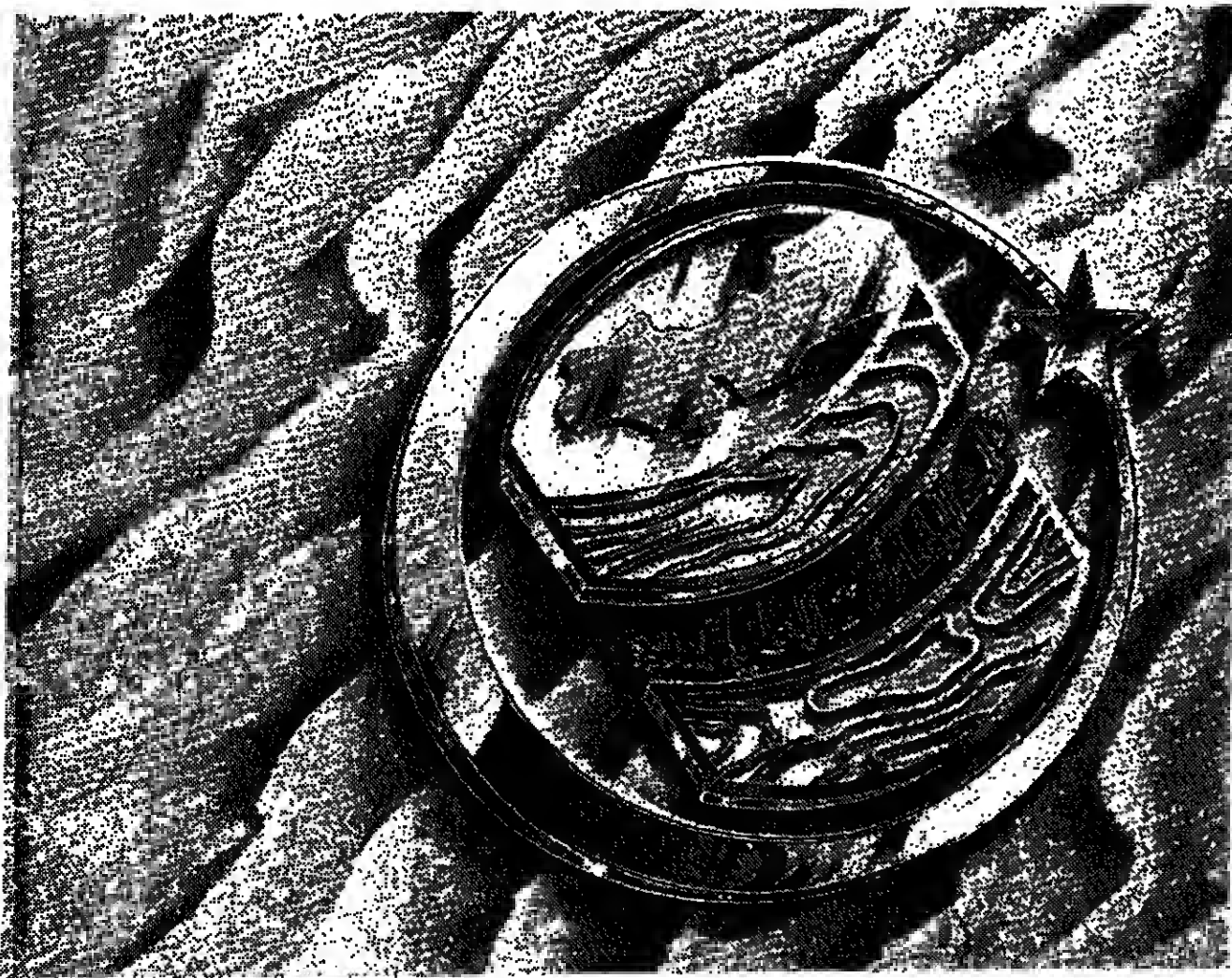
As a disincentive to lending dirhams overseas, in March 1982 the Central Bank doubled from 15 percent to 30 percent the ratio of dirham placements with nonresident banks with a maturity of less than one year, which the banks are obliged to keep on their books in the Central Bank's favor. In October of that year the statutory maximum interest rate payable on de-

posits of up to 5 million dirhams was removed. These measures, combined with a fortuitous easing of Eurodollar rates, gave an encouraging boost to liquidity.

Now the Central Bank and four of the largest, most liquid banks are negotiating a formula under which those banks would repatriate to the Emirates a proportion of their overseas placements for a new Central Bank paper instrument to be created for the purpose. If implemented, this step will be the next big news on the U.A.E. banking front. In the longer term, Mr. al-Hamad said in a Reuters interview in December that the Central Bank intended to make the family-owned banks comply eventually with a 1980 law requiring all banks to become public companies.

Unless the war between Iran and Iraq ends unexpectedly and unless the government undergoes a change of heart and chooses to lead the way out of the recession by public-spending increases, the levels of activity in the sectors in which U.A.E. commercial banks have traditionally concentrated their efforts can expect no significant upturn in 1984. Neither contingency seems very likely, although the government is at least examining the issues at the highest level. It looks, however, as if the banks are faced with sitting out another slack year with a mixture of letters of credit, remittance business, foreign-exchange dealings and hope.

—ANN FYFE



This is the symbol of a young, enterprising and resourceful bank.

Located in the entrepot hub of the United Arab Emirates, our commitment to the local trade remains stronger than ever. However, our activities are not limited by geographic boundaries.

In the field of loan syndications, we continue to play an active role and our ability to mobilize funds quickly for viable projects and contracts has earned us a reputation in the financial world.

Over a period of time, we have also attained the status of being one of the soundest and most reliable banks. A distinction earned

primarily as a result of our prudent banking policies and alert, responsive management.

Our people, hand-picked for their diverse managerial talents, provide fast, accurate answers to customer questions, with personal attention and professional efficiency.

Our comprehensive banking and financial services include:

- Trade Finance • Bid Bonds & Guarantees
- Export/Import Knowhow • Foreign Exchange
- Bullion • Eurocurrencies & Eurobonds
- Merchant Banking



EMIRATES NATIONAL BANK LTD.

P.O. Box 26, Dubai - UAE Telephone: 282181 - 4 Telex: 46650 LBRTY EM 47336 EMRKB EM 48457 LBRTY EM

Have all the advantages of a bank account in LUXEMBOURG, without actually being there.

To discover the advantages of banking in Luxembourg with BCC, all you have to do is to simply mail the attached coupon. We will promptly despatch to you by airmail our booklet containing detailed information about banking in Luxembourg.

The BCC Group has offices in 67 countries, its Capital Funds exceed US\$20 million and total assets US\$2,000 million. The Head Office and branch of the Bank of Credit & Commerce International S.A., in Luxembourg enable you to make full use of the unique advantages offered in Luxembourg which include:-

1. Total confidentiality of investor's affairs by the laws of Luxembourg.
2. The benefits of being able to open and operate an account in Luxembourg without actually going there.
3. Investments and deposits made by non-residents are totally tax-free and there is no withholding tax on interest or dividends.
4. Luxembourg is a stable, prosperous financial centre in the heart of European Economic Community.

Mail this coupon for your FREE copy of "International and Personal Banking in Luxembourg" to:

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. 11, BOULEVARD ROYAL, P.O. BOX 858, LUXEMBOURG. TELE: 25.00.01



Name \_\_\_\_\_ Address \_\_\_\_\_

11/17/26/5

## Domestic Issues Worsen Economy's Stagnation

(Continued From Previous Page)

ers. This session was the start of nationwide moves to draw the federal government's attention to the urgency of the debt problem.

The issue was debated in the National Assembly and in the press; the parallel was drawn with the 1981 rescue of the property sector, when 1.6 billion dirhams worth of bank loans to property developers were refinanced by the state.

Whether it is desirable for the state to make a habit of such bail-outs is of course highly debatable. As this juncture, however, the state has never had less financial leeway to do so.

In March, on reading the Ministry of Trade's urgent memorandum, the cabinet set up a high-level committee of the ministers of finance, trade, planning and justice to investigate the recession. The panel met for the first time April 29 and decided to pursue its examination sector by sector.

One fundamental issue the Emirates has not yet resolved is whether it wishes to be an open-door, free-trade, laissez-faire mercantile society or a more closed community with restrictive, nationalistic commercial legislation and tight controls on immigration. Perhaps the issue is too profound to be resolved fully and will always provide the underlying dynamic in U.A.E. politics.

Much of the slump in retail activity is being linked to the six-month-departure rule. Since about 70 percent of the population is immigrants, the impact of this measure on the marketplace is obvious. The rule, introduced with characteristic suddenness in February 1983, was initially popular with the large anti-immigration lobby and unpopular with merchants. A year later, it is unpopular with a wider segment of the public, and the Abu

Dhabi National Consultative Assembly has demanded its abolition.

In 1980, the assembly won a reversal of a similar piece of legislation. While these larger issues are being argued and the cabinet committee searches for short-term answers, some optimists discern the harbingers of happier times in 1984. Dubai, the main port, succeeded in reversing the 1982 decline in imports and achieved figures almost identical to the admittedly not very good year of 1981. Total imports through Dubai were worth 19,679 billion dirhams in 1981, 18,866 billion dirhams in 1982 and 19,558 billion dirhams in 1983.

Others attribute the turnaround to the phenomenon of restocking by merchants in advance of new customs tariffs imposed by the Gulf Cooperation Council in November. Dubai's re-export trade showed an indisputable upsurge, to 5,195 billion dirhams in 1983 after dropping from 3,250 billion dirhams in 1981 to 2,75 billion dirhams in 1982.

Rents are relatively stable but company staffing levels are below those of earlier years. In the northern emirates, as a whole, 1983 was a year of renewed oil exploration. As well as Sharjah's Saja field and Dubai's Margham, Ras al-Khaimah is bringing on stream the new Saleh field and exploration is under way in all the emirates.

The International Monetary Fund's forecast for oil demand in 1984 is slightly brighter than in the last few years — and is much quoted here — but, overall, there is more gloom than enthusiasm in the air. That gloom is giving way to hopes of government intervention, either directly by spending or indirectly by relaxing legislation, and it remains less than certain that those hopes will be met.

## CONTRIBUTORS

ANN FYFE is a Dubai-based journalist. FRAUKE HEARD-BEY works in the Center for Documentation and Research in Abu Dhabi. SARAH SEARIGHT is a London-based journalist who writes frequently about the United Arab Emirates. MARCUS WRIGHT is a staff writer for the London-based Middle East Economic Digest.







## FOOD

IN NEW JERSEY,  
THE PEAR TREE BLOOMS

"It's one of the prettiest, wealthiest little towns, tucked away on a wonderful chunk of shoreline that's been skipped over by most everyone except a very smart few." Such is Steven Spector's untempered enthusiasm for the hamlet of Rum-

son, an old-line suburb on the northern tip of the New Jersey shore, some 50 minutes from Manhattan in Monmouth County.

In fact, Spector's description is not wholly accurate, for ever since the ex-New York art dealer and restaurateur took over a foundering Rumson eatery called the Pear Tree last August, the very smart

suburban at first—note the hanging plants and too-predictable Breuer chairs—it is also impeccably clean and spacious. Antique weather vanes and patchwork quilts help countryfy the place; so do the gorgeous 17th- and 18th-century European watercolors of birds that Spector, whose art dealing was in master drawings,

has displayed on the brick-red walls throughout.

Therein lies the Pear Tree's culinary theme. Appetizers range from a superb veal-chicken sausage to a not-so-great risotto primavera to Spector's stylish version of Santa Fe eggs: "stuffed eggs and fantail shrimp with barbecue sauce." But birds are the big act. From the butter that arrives in the shape of a quail to the abundant choice of original game dishes—quail consommé, pheasant cream soup with orange, sliced mallard breast, Cornish game hen and an occasional roast partridge—this is a restaurant not afraid to cry fowl.

That the gambit works as well as it does (the duck reduction sauce boasted by the waiters is wondrously smooth, the bird's dark meat as lean as the best beef) is remarkable, considering that Spector uses the same chef who toiled haplessly under the restaurant's previous owners—and that Spector himself has been in the food business only since the mid-'70s. Back then, he was dealing art out of his apartment in the East Sixties and contributing gallery and museum reviews to the art magazines around town. Recalls Spector: "That's when I began to tire of the trivialization of the whole New York art scene."

What better way to break out of his shell than invest in a quail farm? "It sounds weird, but a friend who raises the birds asked if I wanted to buy some excess stock," he explains. "Before I knew it I was breeding my own quails on a farm in Griggstown, New Jersey, just north of Princeton." Then another friend, James Beard, offered some of Spector's birds to the owners of the Four Seasons for a Christmas dinner party. The owners called afterward to ask if Spector could supply them

with 250 quails a week, and suddenly his gentleman's pastime took wing. Today, Spector's 80-acre spread in Griggstown turns out up to 3,000 birds a week (including pheasants, game hens, ducks and even geese) for Lutèce, the River Café, Le Perigord Park, An American Place, Jams—and, of course, the Four Seasons.

En route to the Pear Tree, Spector tried his hand at two nouvelle establishments in Manhattan. There was Claude's, a troublesome uptown bistro that he and Partner Peter Josten abandoned in 1978. With considerably more success, the pair launched Le Plaisir on Lexington Avenue and saw it through four prosperous

years. Yet as he had tired of the art scene, Spector wearied of the preciousness of nouvelle cuisine, not to mention the pressure of running a city restaurant. "After four years it was time to take a step backwards—to stop worrying about being so clever," he says, "and start concentrating on good food and a good time."

For New Yorkers on a rare trip across the river, the game's not over when the meal is done. Fortified by any of the Pear Tree's excellent desserts, soothed by the warm piano jazz wafting from the front dining room, they can indulge in another pleasure: a country walk along the quiet wooded blocks nearby. On a moonlit night,

one can almost forget the prospect of driving back home.

**The Pear Tree, 42 Avenue of the Two Rivers, Rumson, New Jersey.** Directions: take Lincoln Tunnel to New Jersey Turnpike, Exit 11 (Garden State Parkway). Follow to Exit 17 (Route 36). Take Route 36 through Atlantic Highlands and Highlands. Cross bridge and drive along the shore to first traffic light. Turn right over the Sea Bright/Rumson bridge. Avenue of the Two Rivers is the fifth street on the right. Hours: Mondays through Thursdays, 6:00 p.m. to 10:00; Fridays and Saturdays, 6:00 p.m. to 11:00; Sundays noon to 9:00. Telephone: 201-842-8747.

—Allan Ripp



Steven Spector makes game a strong suit at the Pear Tree in Rumson.

son, an old-line suburb on the northern tip of the New Jersey shore, some 50 minutes from Manhattan in Monmouth County.

In fact, Spector's description is not wholly accurate, for ever since the ex-New York art dealer and restaurateur took over a foundering Rumson eatery called the Pear Tree last August, the very smart

suburban at first—note the hanging plants and too-predictable Breuer chairs—it is also impeccably clean and spacious. Antique weather vanes and patchwork quilts help countryfy the place; so do the gorgeous 17th- and 18th-century European watercolors of birds that Spector, whose art dealing was in master drawings,

has displayed on the brick-red walls throughout. Therein lies the Pear Tree's culinary theme. Appetizers range from a superb veal-chicken sausage to a not-so-great risotto primavera to Spector's stylish version of Santa Fe eggs: "stuffed eggs and fantail shrimp with barbecue sauce." But birds are the big act. From the butter that arrives in the shape of a quail to the abundant choice of original game dishes—quail consommé, pheasant cream soup with orange, sliced mallard breast, Cornish game hen and an occasional roast partridge—this is a restaurant not afraid to cry fowl.

## BUSINESS

Continued from opening page

but not much." An editor at *Forbes* puts it more harshly: "Kekst lies. I have been in so many fights with Gershon Kekst that I don't believe him anymore." Says Tim Metz of the *Journal*: "Years ago, I told an investment banker that I didn't trust Gershon Kekst. I respected him, but didn't trust him. The next day I got a call from Gershon who said, 'I hear you don't trust me.' So we had breakfast at the Regency and I confronted him with three or four examples of his placing stories in other publications where the story could get a more favorable presentation. He said, 'OK, just watch us for a year.' And he hasn't done that since. He's either cleaned up his act or just gotten sneakier."

From his low-key Madison Avenue office, Kekst comes across as a sort of antihero. Blunt as the chewed end of his cigar, he wields a wry sense of humor and a certain undeniable charm. Sitting down to chat with a reporter, he pops a button on his jacket and quotes Rudyard Kipling: "A woman is only a woman, but a good cigar is a smoke." And he adds, "a good chew!"

What is it exactly Kekst does for his clients? For Kekst, that kind of question floats across like a whiffle ball. "In public relations, there's no body of knowledge," he bats back. "The law profession has law journals, case studies. In PR, there's only judgment and experience." Which means? "I like to think we're in the business of communications," he says opaquely. *Swish... thwump.* "We try to help a corporation communicate with its various constituents."

That vague, gray process begins when Kekst sits down to talk frankly with a corporate chairman. "My great value," he says, "is that I'm an outsider and they, [his clients] can trust me to tell them exactly the way I see it, and tell only them." That can be stiff medicine. "If the public thinks your client is manipulative and devious, you have to tell him why the public thinks that. Sometimes they don't like to hear it." He pauses. "Often they don't like to hear it."

Martin Puris attests to Kekst's candor. "Most PR men are full of crap, just flacks hyping something," he says. "But Kekst is totally different. Don't ask him a question unless you're prepared for the truth. He's blunt to a fault." Kekst himself tells a little story. "Once a company was shopping for a PR consultant and they asked a lot of firms for bids. All the firms they asked had an opinion—you should increase your publicity or something. But when I met with the chairman, I said, 'I haven't got the vaguest idea what you want to be.' Kekst, needless to say, won the account."

Often what follows the heart-to-heart talks is simply business as usual. Clients like Bell & Howell, BMW, Fuji Bank and Hershey, for example, need no financial troubleshooting. For them, Kekst and his staff of 40 handle routine work: news to the press of promotions and products, letters and the supervising of proxy statements to shareholders around the world, speech writing and coordinating public appearances for top executives, and orchestrating endless meetings with investment bankers and lawyers. For the 30

percent of Kekst's clients who come in waving red flags, though, the work is anything but routine.

It starts with the press. Says the *Journal*'s Metz of Kekst: "He does his homework. When the first shot is fired—a tender offer or a proxy fight—he sends over not only the announcement, but also the 10K filing, all the names and figures, a whole packet of information. He does the legwork for the reporter." Of course, Kekst is serving his client, not the reporter, and no journalistic ethics intrude to keep him from feeding the facts that help a client's case, and ignoring those that don't.

What he does after this is shrouded in client confidentiality. Says Kekst: "If I sat down with you as chairman of a corporation and said, 'You need to make more speeches, say, to women's groups on Subject X,' and I wrote your speeches and you delivered them, you're not going to want to read in *AVENUE* that I talked about it." Indeed, Kekst has a client that way last year. When Sandra Salmons of the *New York Times* asked how he'd counseled Cogan and Swid of General Felt, he told her about the time he recommended that they hold one-on-one interviews with the media, rather than a standard press conference, in order to gain sympathy in their bid for Sotheby's. Says Kekst ruefully: "General Felt was absolutely appalled that I would have discussed this with anyone. We no longer represent them."

There's another reason Kekst doesn't like to talk. In any merger or takeover battle he's a team player. His teammates are the lawyers, investment bankers and proxy solicitors who line up like a Big Four defense, and who share equal credit when the game is won. Moreover, these players are the same year after year, game after game. They're colleagues, they're friends, and that makes Kekst especially sensitive about appearing to claim any more than his due.

Best known among the lawyers, for example, are Joe Flom and Marty Lipton. They're the Katzenjammer kids of the takeover business, invariably representing opposite sides of any major takeover battle. And one of them usually taps Kekst to do the public relations work. Kekst tells the story of representing the Mead Corporation in its fight to keep from being bought by Occidental Petroleum's Armand Hammer some years ago. In that one, Kekst paired up with Flom to stir waves of bad press and legal complications for a quiet little chemical company owned by Occidental Petroleum. The company was called Hooker, the scandal eventually became Love Canal, and with Occidental's image badly tarnished, Hammer backed off from Mead. Not long after, Kekst stepped in to help Harold W. McGraw, Jr., battle off American Express. This time, he teamed up with Marty Lipton to make a public and legal issue of the considerable reluctance that McGraw-Hill's authors felt in being absorbed by a huge corporation. Again, Kekst helped win the game. Again, he points out the team effort that led Amex to back off. Says he with a laugh: "If I suggested to you that my contribution makes a significant dif-

ference in a win or loss, one of those two guys is likely to say that's crazy."

What Kekst can say is that as a team player, he goes out looking for information about the other team. "You want to learn everything there is to be learned that speaks to the quality you want to identify, whatever problems and incompatibilities there may be." Translated, that means anything about the other team's management and holdings that may be embarrassing to them or irksome to the stockholders of Kekst's client company. Whatever Kekst finds, the lawyers make first claim and decide whether to use it as a complaint to the lawsuit, perhaps, or in an appeal to some regulatory body. Kekst and the lawyers may decide to go public with it, but that may not be needed at all. Meanwhile, Kekst usually offers his client this advice: "Theoretically if you give a guy an opportunity, he'll make plenty of mistakes. What you've got to do is make no mistakes. And to make no mistakes you don't do very much."

Critics say Kekst does a bit more than that. He hires private investigators, suggests one analyst, to do a deep dig into the personal lives of the opposition—extramarital affairs, homosexuality, bad personal loans and the like. That kind of dirt may turn up in a lawsuit more often than in the press, but it may be used privately as well: over expensive dinners with major shareholders, or in threatening phone calls in the middle of the night. Jack O'Dwyer, who publishes a public relations newsletter, says of Kekst: "He'd never be able to practice in England like that. It's not public relations—it's seamy skulduggery. You buy them out, you trick them. It's not a pretty business."

Kekst bristles at this. "Jack O'Dwyer, whom I have not seen in 15 years, has no idea—none—what we do for a living. He has for 15 years been wanting me to subscribe to his newsletter and advertise my client list in his directory, and I have refused to do that."

"I must tell you there is no skulduggery," Kekst adds, "and there is nothing seamy about it. Everything we do is based on public information. We never call shareholders. It's not our business; it's not our job. It's the proxy solicitors who literally have the job of calling and meeting the stockholders. And it's not winning and dining. They go to the offices of major stockholders one by one and make their presentations. It's a fairly cold and formal kind of thing. There's very little warmth to it."

One of Kekst's favorite pastimes is taking long walks around Manhattan after dinner, going through a couple cigars. "Fantastic catharsis, walking," he says. "Your mind just tends to clear itself out." It's a time to think strategy, and a time to ponder his current enemies: men like T. Boone Pickens and Rupert Murdoch, who rank high on anyone's list of the shrewdest, most aggressive players in American business today. They're the kind of enemies about whom it's said in a whisper: "They'll eat ya for breakfast." Come tomorrow, though, the only trace of Gershon Kekst they'll find near their breakfast plates is in the financial pages. And Kekst, enjoying his own breakfast over at the Regency, will have lasted through the previous day's battles just fine. —Catherine Osborne

## CALENDAR

Continued from opening page

chairman of the *New York Times*, is the chairman of this fine food festival, and Mica Ertegun, Isabelle Leeds and Bloomingdale's Chairman Marvin S. Traub serve as cochairmen. Tickets for the 7:30 p.m. benefit are \$500. Central Park West at 67th Street. For information, call 922-1460.

¶ Charles L. Brown, chairman and chief executive officer of AT&T, is the guest at the 1984 Founders' Award Dinner to benefit the New York Botanical Garden. Overseeing the black-tie dinner will be John R. Opel, president and chief executive officer of IBM. Cocktails are at 6:30 p.m. Tickets are \$300. The Bronx, New York. For information, call 997-0100.

6

¶ A preview of Jerome Robbins' and Twyla Tharp's new ballet will be the highlight of the annual spring gala for the New York City Ballet. This black-tie night includes a gala supper ball. Tickets for the whole evening are \$350, \$500 and \$1,000, \$100 for cocktails and the show. The New York State Theater, Lincoln Center. For information, call 870-5676.

7

¶ Mayor Edward Koch, founder of the Central Park Conservancy, and Mrs. Albert B. Lasker will be presented with Frederick Law Olmsted Awards at an annual luncheon to benefit the Conservancy. The luncheon traditionally recognizes the achievements of individuals who have contributed to the betterment of the park. A mime troupe called Le Clique will provide the entertainment at noon at Tavern on the Green. Mrs. Charles A. Dana, Jr., chairs this tribute. Tickets are \$150, and this year's proceeds will benefit park security and horticultural programs. Central Park West at 67th Street. For information, call 988-8826.

¶ Two anniversaries will be celebrated at a festive cocktail party in the atrium of the Trump Tower. Guests will toast the 25th anni-

versary of the New York City Opera Guild and the 40th anniversary of the New York City Opera. Honorary Chairman Beverly Sills will be joined by cochairmen Ivana Trump and Vivian Nelson and Coordinating Chairman Dawn Arden. Entertainment will be provided by a host of singing stars. Tickets are \$60. 725 Fifth Avenue. For information, call 870-5640...

12

¶ Federal Reserve Board Chairman Paul Volcker is the keynote speaker at the Japan Society's 14th annual benefit dinner. Du Pont Chairman Edward G. Jefferson will preside over tonight's festivities. Guests should arrive at 6:30 p.m. for cocktails in the Grand Ballroom of the Waldorf-Astoria Hotel. Tickets are \$250 and \$500. Park Avenue at 50th Street. For information, call 832-1155.

¶ Cruise over to the American Cancer Society's cocktail cruise aboard the *Empress Subaru*. A four-day excursion on board the vessel that was voted the most beautiful yacht in the world at the Paris Boat Show, will be raffled off. Mrs. Thomas Carhart Amory is the honorary chairman, and part of the winning package is a dinner party at the Amorys' historic East Brick House on Nanuet. Embarkation time is 6:30 p.m. For information, call 586-8700, ext. 555.

¶ Designer John Saladino heads up this benefit evening's first annual Environmental Design Dinner for the New School's Parsons School of Design. George S. Kaufman, president and chairman of Kaufman Astoria Studios, will be an award recipient. Tickets for this black-tie dinner-dance at the Plaza Hotel are \$275. Fifth Avenue at 59th Street. For information, call 673-8717.

13

¶ The Greater New York Councils of the Boy Scouts of America will host its 10th Distinguished Citizen Award Dinner in the Grand

Ballroom of the Waldorf-Astoria Hotel. Du Pont Chairman Edward G. Jefferson is the honored guest, and chairman for this evening's dinner will be James Olson, vice-chairman of AT&T. Serving as cochairmen will be Thomas Labrecque, president of Chase Manhattan, and David Kearns, chairman of the Xerox Corporation. Tickets for this black-tie event are \$300. Park Avenue at 50th Street. For information, call 997-0100.

18

¶ The eighth annual Energy Achievement Award Dinner-Dance will be held tonight at the Plaza Hotel. United Technologies Chairman and Chief Executive Officer Harry S. Gray will be the honoree. The cocktail reception begins at 6:30 p.m. for this black-tie affair. Tickets are \$300, and proceeds will benefit the National Energy Foundation. Fifth Avenue at 59th Street. For information, call 755-1190.

24

¶ Bloomingdale's holds a main-floor cosmetics beauty bash through next month to celebrate the 1984 summer Olympic Games. New product lines and special cosmetics bargains and demonstrations will be the order of the day in this salute to the Los Angeles sports spectacular. 1000 Third Avenue. For information, call 705-2000.

26

¶ The first New York International Ballet competition gets underway this evening at City Center, 131 West 55th Street. For the next week the elimination rounds lead suspensefully to a July 2 black-tie gala where the winners in the solo and partner categories will be announced. Gene Kelly will be the honorary chairman for the final evening, and Tony Randall will do the emcee duties. Governor and Mrs. Mario Cuomo are the honorary chairmen for the entire contest. Tickets for the final show and gala afterward are \$200; \$275 includes the elimination rounds as well. 30 Rockefeller Plaza. For information, call 496-1175.





*The Hôtel de Paris, Monte Carlo, Monaco invites you to discover the new California Terrace. Feel the sea breeze and warm sunshine at the 150-seat terrace, restaurant and bar. Enjoy the panoramic views of Monte Carlo and the harbor. The Spa is a complete center for fitness and beauty to help you rediscover the joy of living on the Cote d'Azur.*

## The California Terrace features:

HEATED SEA WATER POOL  
SPORT SHOP  
AEROBIC CENTER  
HERBAL WRAPS  
WHIRLPOOL  
SAUNA & STEAM ROOMS

HYDRO-FITNESS POOLS  
MASSAGE  
COMPLETE GYMNASIUM  
HYDROTHERAPY  
BEAUTY & HAIR TREATMENT  
SUN TERRACE

## OPENING: JUNE 4, 1984

The California Terrace is a member of the Premier Group, which includes the following members:

The Bradford Plaza, Dallas, TX.  
The Hermitage, Monte Carlo, Monaco  
The Norwich Inn and Spa, Norwich, CT.  
The Hôtel de Paris, Monte Carlo, Monaco

No. 1022 Inn, New York, NY.  
The Greenhouse, Arlington, TX.  
The Monte Carlo Beach Club, Monaco  
The Sonoma Mission Inn & Spa, Boyes Hot Springs, CA.



Φ  
**BAUME & MERCIER**  
GENEVE  
**avant-garde™**



**The Baume & Mercier Avant Garde Quartz with an  
impervious, mirror-like finish.**

Baume & Mercier has created these ultra-thin quartz watches for men and women of obvious distinction. The case and bracelet combine the luxury of 18K gold with the highly polished lustre of super-hard, scratch-resistant Tungsten Carbide. Water-resistant to 99 feet, they are unique in jewelry watch design and space-age technology.

**FRED**  
Joaillier®

6 RUE ROYALE - 75008 PARIS - (1) 260.30.65 - TELEX 640155

*"Les Boutiques"*  
LE CLARIDGE - 74 av. des Champs - Elysées - 75008 PARIS  
(1) 359.68.10  
HOTEL MERIDIEN - 85 bd Gouvion Saint Cyr - 75017 PARIS  
(1) 757.18.09  
AEROPORT D'ORLY SUD - (1) 884.30.09  
AEROPORT D'ORLY OUEST - (1) 884.43.09  
21 La Croisette - 06400 CANNES - (93) 39.73.08  
LOEWS HOTEL - MONTE CARLO - (93) 30.79.00

FRED Joaillier S.A. - GENEVE  
20 rue du Marché - 1204 Genève - (22) 28.16.60

FRED Joaillier, Inc.  
NEW YORK N.Y. 10022 703 Fifth Avenue  
(212) 832.37.33 - TELEX 960219  
BEVERLY HILLS, CA 90210, 401 North Rodeo Drive  
(213) 278.37.33  
HOUSTON, Texas 77056, The GALLERIA, 5015 Westheimer  
(713) 960.94.41  
DALLAS, Texas 75240, The GALLERIA, 73350 Dallas Parkway  
(214) 458.90.12



## UNITED ARAB EMIRATES

## Budget Deficit Brings Slowdown in Construction

By Marcus Wright

LONDON — When the 1983 federal budget was finally announced last August, after protracted wrangling over the contributions of the individual emirates, the government of the United Arab Emirates predicted that little or no money would be available for new construction projects.

New projects are a low priority until the government can sort out the widening deficit, something that will probably require unpalatable remedies such as cutting the large proportion of the budget that goes to the military establishment and to the running of federal ministries.

Some contractors fear that oil prices will rise again before the government has fully tackled the budget problem — that, in other words, federal funds for new work will not be available until at least 1985. Local construction companies have felt the squeeze severely, and the Emirates has become a less attractive market for foreign companies. But each of the seven emirates has its own budget, and these continue to provide a healthy source of work.

In the northern emirates, where there have been new hydrocarbon discoveries, companies are exploring the possibility of an increase in construction to offset the downturn in the traditional markets of Abu Dhabi and Dubai.

Abu Dhabi remains the motor of the U.A.E. economy, with more than double the oil production of its nearest rival, Dubai. Several important projects have been tendered recently by its government departments, including large prestigious projects that seemed unlikely to go ahead in the first onslaught of the recession.

In an attempt to provide more land for real estate development near the capital, the municipality plans to spend \$288 million on a huge road bridge to take traffic to the largely uninhabited Sediyat Island, northeast of Abu Dhabi. A similar project will probably be tendered in June, involving construction of 3 kilometers (1.86 miles) of road bridge to the nearby Hodayrat Island.

With expatriates leaving the country and rents falling, the demand for new residential buildings has tailed off. But there is still a pressing need for expensive infrastructure in Abu Dhabi, and the emirate plans to move ahead with the rest of its program — upgrading roads and building underpasses to ease traffic congestion in the capital — as well as electricity, water distribution and sewage projects.

In 1983, government departments in Abu Dhabi spent about \$1.3 billion on development projects, about 75 percent of the total allocated in the budget. Several large projects are still in their early stages, such as the Tawaleh power and desalination plant, designed to meet local demand until the turn of the century. For the university town of Al-Ain, 130 kilometers east of Abu Dhabi on the border with

Oman, a Swedish consultant has just been appointed to plan the construction of a new campus for 20,000 students. Now the faculty buildings and student accommodations are spread out across the town.

Military spending is also a priority, with further tenders for maintenance facilities expected in 1984 for the military base of Sweihan, in the desert between Al-Ain and Abu Dhabi. Payment delays for previous work on the base have been particularly severe, a major factor in the problems faced by the Dubai businessman Abdul-Wahab Galadari at the end of 1983. Large sums were outstanding to Mr. Galadari's construction companies for work at Sweihan and other projects, and this caused liquidity problems at the Union Bank of the Middle East, requiring the intervention of the Central Bank. A large proportion of the bank's assets were tied up in loans to Mr. Galadari, its chairman.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.

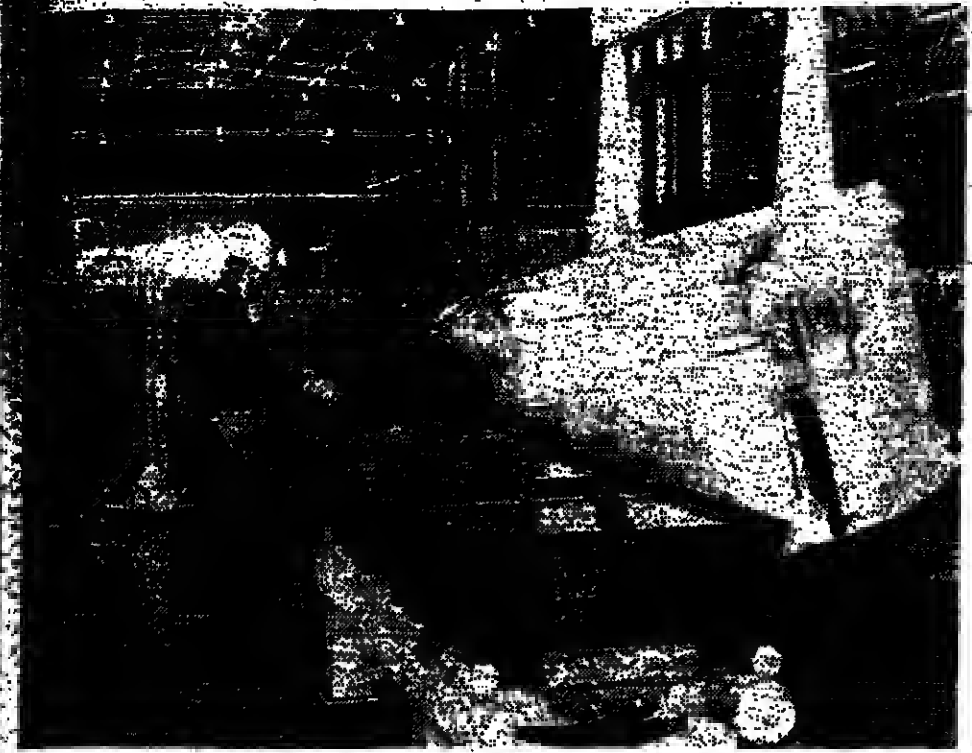
In the emirates that do not possess hydrocarbons, development is likely to be slow over the next few years.

Contracting in Dubai has also seen a slowdown, and there are no projects coming up that compare with construction work at the Jebel Ali port and industrial center in the 1970s and the building of the Dubai Dry Docks, projects that were strongly backed by Dubai's aging ruler, Sheikh Rashid bin Said al-Maktum. But Dubai municipality has a 1984 budget of close to \$500 million, about two-thirds of which will go for development spending. Dubai's crown prince, Sheikh Maktum bin Rashid, is taking an increasing interest in the running of the municipality and the projects the emirate needs, and in November he approved a start on the largest project pending, a \$230-million sewage treatment works and pipeline system.

The smaller northern emirates financed most of their development in the 1970s with assistance from the federal government. Because of the federal budget deficit, this source of finance has been severely restricted. Some of the emirates are now planning their own hydrocarbons to fund new projects. Sharjah is exporting condensate from the important Saja'a gas/condensate field and Ras al-Khaimah began exporting small quantities of high-quality oil earlier this year.

Contracting opportunities in Sharjah will center on building downstream facilities for Saja'a gas. A Japanese group has won a contract to build a liquefaction plant, Chimie de France is negotiating for a stake in an ammonia urea plant and Britain's Imperial Chemical Industries is looking at the possibility of methanol production in Sharjah. Work has started on an industrial port for these projects at Hamriya, a few kilometers up the coast from Sharjah town.

It will be some time before the revenue generated for the Sharjah government by these projects translates into new infrastructure work, as the emirate is still paying off debts contracted during an ill-considered burst of spending in the mid-1970s.



A liquid aluminum plant in the Jebel Ali industrial zone at Dubai.

## Hard, New Look at Agriculture

By Susannah Tarbush

LONDON — In April, the United Arab Emirates celebrated its fifth annual tree-planting day with a flourish. Abu Dhabi's nurseries supplied the municipalities with 35,000 saplings. In Sharjah the day was marked by a motorcade decorated with flowers. It was announced that more than 500,000 trees would be planted in the Emirates this year.

But behind the festivities there are considerable anxieties about agriculture, particularly given the cuts in government spending that have resulted from the fall in oil revenues. The depletion of the country's water resources is a major source of concern.

The extensive afforestation projects and the generous provision of greenery in U.A.E. cities make the environment immeasurably more pleasant than it would otherwise be. On Abu Dhabi island alone there are 530 hectares (1,309 acres) of greenery, and an army of gardeners is perpetually on the move tending the lush parks, gardens and roadsides. But the greening of the Emirates illustrates the dilemma facing the federation's planners: the vast cost of sustaining plant and animal life in the harsh environment of the Gulf when financial resources are shrinking.

Opinions on the afforestation program are divided between those who are promoting the idea of plentiful green belts to push back the desert and improve the climate by providing moisture, and those who believe the price in terms of water use is far too high.

Many planners view the drop in oil revenues and cutbacks in official spending as a blessing in disguise, forcing a hard look at expenditure and introducing "rationalizations." In the last two years the Ministry of Agriculture and Fisheries has intervened to an unprecedented extent to try to ensure that agricultural resources are used as efficiently as possible.

The ministry's concerns are shared by the Gulf Cooperation Council, which has made increasing food security one of its top priorities.

Another reason for the encouragement of agriculture in the Emirates is the wish to see residents of traditional farming communities remain on the land rather than drift to the cities. The Ministry of Agriculture has provided a tempting package of subsidies, paying half the cost of seeds, pesticides, fertilizers, spraying equipment and water pumps and giving free services in land preparation, well-digging and pump installation and maintenance. As one 78-year-old farmer told the Khaleej Times, "Without the ministry's help, farming today would just not be worth the effort."

The agricultural drive has chalked up some impressive achievements. Between 1977 and 1983, local agricultural production rose from 192,000 to 623,000 tons, while the number of farms grew from 7,759 to 12,584. The Emirates is virtually self-sufficient in fish, animal feed, poultry and eggs, and produces about a quarter of its need for dairy products and half that for vegetables.

Production is extremely expensive, however. At the Azid Lagoons Research Center on Sediyat Island, off Abu Dhabi, for example, it is estimated that the income from crop sales meets only about a third of costs. The center has more than 40 greenhouses, as well as a combined power station and desalination plant.

Uncontrolled drilling of wells has led to a rapid decline in the country's underground water reserves and to a deterioration in the quality of water in the coastal aquifer as the sea encroaches. Some wells have run dry, and increased salinity is a major problem.

The authorities are tackling the water problem in a number of ways, including building dams to catch rainwater in the wadis and prevent flooding. The experimental station set up in 1975 at Diddaga in Ras al-Khaimah, with technical assistance from the United Nations Food and Agriculture Organization, has carried out important research into irrigation practices, with the emphasis on conserving water. Its other areas of research are horticulture, soil fertility, plant nutrition and plant protection. The results are carried to farmers by members of the center's extension

unit, and there is also a repair and maintenance workshop.

As part of efforts to reduce expenditure and rely more on its own resources, the Agriculture Ministry took over the running of the center from the FAO a few weeks ago and intends to supply its own staff.

The ministry has shown itself ready to influence farmers' activities by being more selective in its application of subsidies. There is overproduction in some crops, such as tomatoes, cauliflower, cabbage and eggplant, while much demand for potatoes and onions must be met by imports. A ministerial committee recommended in 1983 that farmers receive a subsidy of 2 dirhams a kilogram (2.2 pounds) of vegetables that are not overproduced, but 1 dirham a kilo of tomatoes — and that only if less than a quarter of the farmer's cultivated land went to tomatoes. Said al-Ragabani, the minister of agriculture, said in April that importing produce in which the Emirates is self-sufficient will be banned during growing seasons.

A significant move has been the setting up of a unit to market agricultural products. The unit's functions include collecting, sorting, preparing and pricing, storage and, in some cases, exporting. The aim is to increase discipline in the agricultural sector, for the days when agriculture was a free-for-all are definitely over.

It also has links with Iraq; Arab brotherhood is a great deal more than a mere slogan in the Gulf, and Abu Dhabi, probably Sheikh Zayed personally, has contributed handsomely to the Iraqi war effort. But the Emirates preserves an image of fence-sitting, in its reception of Iranian officials, to counter the Iraqi bias of the GCC as a whole.

GCC policies are often easier to talk about at this stage than to implement. When it comes to action, independence is more popular than interdependence, whether within the federation or within the wider area. Dubai protested loudest at the imposition of GCC tariffs, although the abolition of internal duties has opened up the Saudi market to Dubai's advantage. Abu Dhabi, as befits Sheikh Zayed's domain, is much more prepared to acquiesce in the centralization of certain aspects of Gulf development — industry, education, communications, even defense — and feels less threatened by it.

The other emirates, lacking the wealth of Abu Dhabi and Dubai, would welcome anything that might replace the depleted federal funds on which they depended for their development. Kuwaitis invest

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

Sheikh Zayed has followed a forward policy in diplomacy — within limitations — of not inciting the terrorist by sticking one's neck out too far. By projecting himself onto the international stage he has helped strengthen his federation. Like other Gulf leaders he has discovered over the last 10 years a self-

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

Sheikh Zayed has followed a forward policy in diplomacy — within limitations — of not inciting the terrorist by sticking one's neck out too far. By projecting himself onto the international stage he has helped strengthen his federation. Like other Gulf leaders he has discovered over the last 10 years a self-

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

Sheikh Zayed has followed a forward policy in diplomacy — within limitations — of not inciting the terrorist by sticking one's neck out too far. By projecting himself onto the international stage he has helped strengthen his federation. Like other Gulf leaders he has discovered over the last 10 years a self-

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

Sheikh Zayed has followed a forward policy in diplomacy — within limitations — of not inciting the terrorist by sticking one's neck out too far. By projecting himself onto the international stage he has helped strengthen his federation. Like other Gulf leaders he has discovered over the last 10 years a self-

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

Sheikh Zayed has followed a forward policy in diplomacy — within limitations — of not inciting the terrorist by sticking one's neck out too far. By projecting himself onto the international stage he has helped strengthen his federation. Like other Gulf leaders he has discovered over the last 10 years a self-

confidence, reinforced by wealth, that the horrors of the Iran-Iraq war — and to the Gulf Arab, less hardened to the nature of 20th-century warfare, it is a particularly horrible war — might have undermined had it not been for the GCC.

The council was set up in 1981 to meet the threats to Gulf peace from the Iranian revolution and from the war, and it has come much further than anyone at the time expected, mainly because of pressures from those two events. Although most of the early GCC meetings are concerned with economic affairs, last November politics and defense issues dominated the summit meeting in Doha, the Qatari capital.

Of all the GCC countries, the Emirates probably has the closest links with Iran. All GCC member states maintain some links: Iranians who have lived on the Arabian littoral for many generations; Arabs who have returned over the years from Iran to Arabia; Iranian soukiers; traders who have gone back and forth, especially from Dubai, with consumer goods for Iran, food and fodder for Arabia. These trading links of Dubai's bring the Emirates closest to Iran.

**فوتائم**  
(Pronounce it al-footaim)

**You now know enough Arabic to do business in the Middle East.**

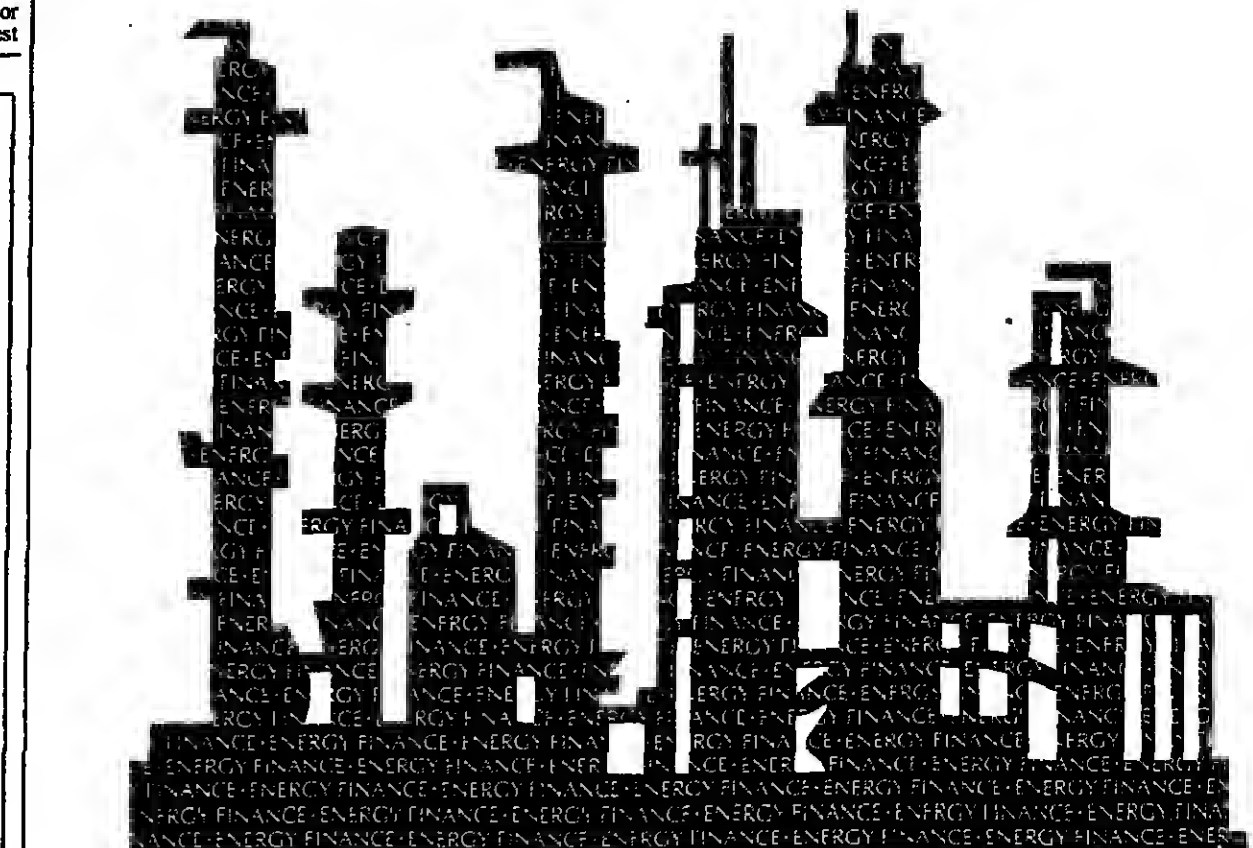
Al-Futtaim is the name of the lower Gulf's largest business house, doing business with partners from all over the world. And the language Al-Futtaim has learnt well over 30 years is the language of business. It started out with trading and today encompasses industry, construction, real estate, banking and insurance. In trading alone Al-Futtaim's activities are spread over heavy vehicles and equipment, passenger cars and trucks, watches and jewellery, domestic electronic/electrical equipment and commercial systems. What is remarkable is the apparent ease with which Al-Futtaim broadens the range of products it handles. Al-Futtaim knows the language of business well. Equally, Al-Futtaim has the organisational disciplines and structure to generate growth. Clearly identified profit centres managed by experienced professionals drawn from all parts of the world.

If trading is Dubai's lifeblood, the pulse of West Asia's commerce is Dubai itself. All the markets in the region including the Indian sub-continent are readily accessible from Dubai. And the sensitive trading milieu of Dubai instantly detects movements in demand from market to market. Al-Futtaim can help you grasp these opportunities because Al-Futtaim's staff mixture of nationalities (21 at last count) is tuned to the ethnic subtleties of the different markets in the region. We offer opportunities for partnership and cooperation in which our broad experience and professional management can weld the strength of the Middle East into the structure of international enterprise.

Write to Afzal Hasan, Head of Corporate Public Relations, Al-Futtaim, P.O. Box 152, Dubai, United Arab Emirates. Or telex 45462 Futaim EM.

**TRADING • INDUSTRY • FINANCE • CONSTRUCTION • REAL ESTATE**

**Al-Futtaim** **الفوتائم**  
of the United Arab Emirates. **من الامارات العربية المتحدة**



Delivery, based on expertise, experience and resource.

بنك أبوظبي الوطني  
NATIONAL BANK OF ABU DHABI

U.A.E. Head Office: Sheikh Khalifa Street, P.O. Box 1, Abu Dhabi, United Arab Emirates. Telephone: 335262. Telex: 22266 MASRIPEM  
City Branch: 90 Bishopsgate, London EC2N 4AS. Telephone: 01-625 8961. Telex: 8812085 MASRAF G  
West End Branch: 21 Albert Gate, Knightsbridge, London SW1X 7PE. Telephone: 01-235 5400. Telex: 896867 NADWEG

Abu Dhabi, Ajman, Al Ain, Alexandria, Bahrain, Cairo, Doha, Dubai, Fujairah, Khartoum, Khor Fakkan, London, Muscat, Mutturah, Paris, Port Sudan, Ras Al Khaimah, Sharjah, Singapore, Tokyo (Rep. Office), Tunis

Washington D.C. Abu Dhabi International Bank Ltd. (ADIB) a wholly-owned subsidiary.



[illegible]

**Reizers**

# On Bank Secrecy

*Reverses*

**MADRID** — Spain will lift its bank secrecy law by the end of this year to enable the govern-

Mr. Boyer, speaking at a seminar here, said that Spain's bank secrecy legislation hinders efforts to fight tax evasion. The Socialist Party estimates that the government lost 300 billion

The Finance Ministry collected 1.3 trillion pesetas in income tax in 1983. This year, the figure is estimated to rise to 1.4 trillion pesetas. In the past five years, the government has

While the government has not provided details on the new system, it is expected to simplify government access to bank accounts of taxpayers under suspicion.

This would soften a 1977 law, which requires Finance Ministry inspectors to obtain a court order to examine privately held bank accounts.

Mr. Boyer said this would bring Spain in line with banking legislation of the European Community, which Spain hopes to join in 1986.

12 Month		Stock	Div.	Yld.	PE	52 Wk.		Close		
High	Low					High	Low	Quot	Ch	
48%	35%	Mudt's	.80	1.9	11	23	41%	41%	21	+
54%	22%	MarLys	.80	3.5	17	1957	23%	22%	43	+
3%	2	MarLo				452	7%	2%	74	-
		MesaOf					1%	1%	154	-

19%	13%	Messia P	1.58	45	13	141	34	34%	34%
25%	22%	Messia R	5.04	7.5	13	29	7%	7%	7%
30%	2%	Messia	5.04	7.5	13	29	7%	7%	7%
31%	3%	vi Messia	26	2.1	47	1855	34%	34%	34%
32	24%	Messia m	6.12	14.1		200	50%	50%	50%
41	64%	ANNE	6.12	14.1		200	50%	50%	50%
62%	4%	ANNE	6.12	14.1		200	50%	50%	50%
54	2%	Messia	2.19	5.7		136	3	3%	3%
55	22%	ANNE	2.19	5.7		136	3	3%	3%
13%	3%	Nickles	0.8	1.8	11	80	8	8%	8%
25%	36%	ANNE	2.04	4.4		20	5	5%	5%

16%	12%	AKISUJI	1.74	13.1	1266	12%	17%	17%
25%	14%	AKIFUS	1.00	47	40	20	71%	21%
25%	21%	AYWE	2.68	11.2	81	24%	24%	23%
28	12%	AKIRW	1.25	5.4	288	20%	20%	20%
47%	19%	AKIRW	1.25	5.4	1299	42%	42%	47
79%	13%	AKIRW	1.40	2.5	15	15%	15%	15%
99%	69%	AKIRW	1.40	2.5	1688	74%	74%	74%
28	23%	AKIRW	2.54	10.4	44	24%	24%	24%
28	13%	AKIRW	1.40	2.5	185	13%	13%	13%

[illegible]

Year	Age	Sex	Weight (kg)	Height (cm)	Body Fat (%)	Lean Body Mass (kg)	Basal Metabolic Rate (kcal/day)	Physical Activity Level	Total Daily Energy Expenditure (kcal/day)
1976	20	M	70	175	15	59.75	1750	1.2	2100
1977	21	M	72	178	16	61.2	1780	1.2	2136
1978	22	M	74	180	17	62.7	1810	1.2	2172
1979	23	M	76	182	18	64.2	1840	1.2	2208
1980	24	M	78	185	19	65.7	1870	1.2	2244
1981	25	M	80	188	20	67.2	1900	1.2	2280
1982	26	M	82	190	21	68.7	1930	1.2	2316
1983	27	M	84	192	22	70.2	1960	1.2	2352
1984	28	M	86	195	23	71.7	1990	1.2	2388
1985	29	M	88	198	24	73.2	2020	1.2	2424
1986	30	M	90	200	25	74.7	2050	1.2	2460
1987	31	M	92	202	26	76.2	2080	1.2	2496
1988	32	M	94	205	27	77.7	2110	1.2	2532
1989	33	M	96	208	28	79.2	2140	1.2	2568
1990	34	M	98	210	29	80.7	2170	1.2	2604
1991	35	M	100	212	30	82.2	2200	1.2	2640
1992	36	M	102	215	31	83.7	2230	1.2	2676
1993	37	M	104	218	32	85.2	2260	1.2	2712
1994	38	M	106	220	33	86.7	2290	1.2	2748
1995	39	M	108	222	34	88.2	2320	1.2	2784
1996	40	M	110	225	35	89.7	2350	1.2	2820
1997	41	M	112	228	36	91.2	2380	1.2	2856
1998	42	M	114	230	37	92.7	2410	1.2	2892
1999	43	M	116	232	38	94.2	2440	1.2	2928
2000	44	M	118	235	39	95.7	2470	1.2	2964
2001	45	M	120	238	40	97.2	2500	1.2	3000
2002	46	M	122	240	41	98.7	2530	1.2	3036
2003	47	M	124	242	42	100.2	2560	1.2	3072
2004	48	M	126	245	43	101.7	2590	1.2	3108
2005	49	M	128	248	44	103.2	2620	1.2	3144
2006	50	M	130	250	45	104.7	2650	1.2	3180
2007	51	M	132	252	46	106.2	2680	1.2	3216
2008	52	M	134	255	47	107.7	2710	1.2	3252
2009	53	M	136	258	48	109.2	2740	1.2	3288
2010	54	M	138	260	49	110.7	2770	1.2	3324
2011	55	M	140	262	50	112.2	2800	1.2	3360
2012	56	M	142	265	51	113.7	2830	1.2	3396
2013	57	M	144	268	52	115.2	2860	1.2	3432
2014	58	M	146	270	53	116.7	2890	1.2	3468
2015	59	M	148	272	54	118.2	2920	1.2	3504
2016	60	M	150	275	55	119.7	2950	1.2	3540
2017	61	M	152	2					

[illegible]

		N	
28%	14%	NAFCO	300 49 10
45%	24%	NBO	220 5.5 5
21	17	NBI	534 10 10
20%	14%	NCH	72 19 15
20%	22%	NCHN	171 4.9 4

[illegible]

31	24%	NotOrd	2.28	2.0	72	182	274%	274%	+
24%	14%	NHedG			16	760	14%	14%	+
21	14%	NotFG			16	100%	20%	19%	+
27%	27%	NotGyp	1.76	4.0	7	119	29%	29%	+
10	3%	NHoxm			46	44	3%	3%	+
22	22	NH	25	1.0	82	521	24%	24%	+
17%	12%	NAMC	50	3.1	82	850	16%	15%	+
12%	18%	NMCre	44	2.0	12	4816	22%	21%	+
12%	7	NMhms			24	24	7%	6%	+
30%	20%	NPRms	1.00	4.3	11	36%	23%	23%	+

20	12%	Went's			22	22%	13%	12%	12%
28%	21%	MSWing	.00	4.0	32	32	22	22	22
17%	11%	NSund		11	11	14%	14%	14%	14%
30	22	NPWP	2.72	12.2	258	22%	22%	22%	22%
14%	11%	NPWP	1.60	7.2	730	13%	13	13	13
15%	8%	NPJVL	.00	5.6	80	8%	8%	8%	8%
42%	28%	NEmp	2.60	18.5	6	34%	32%	32%	32%
37	22	NEmp	1.76	12.3	9	22%	22%	22%	22%
22%	15%	NJRK	2.04	5.0	20	24%	23%	23%	23%
22%	14%	NYSEC	2.32	14.6	237	24%	14%	14%	14%

72	56%	KYS	8.95	14.9	18%	59	59	59	1
31	34	NYS	12.5	14.7	4	25%	25	25%	
23%	13%	Newell	5.0	1.4	22	15%	14%	14%	
21%	21%	Newhol	.8	1.4	3	34%	34%	34%	
16%	11	Newbl	4.5	4.9	13	13	13	13	
13%	8%	Newh	2.4	2.9	13	10	9%	10	+
69%	4%	Newm	1.00	2.1	30	83%	45	44%	44%
9%	4%	Report				130	4%	4%	4%
10%	12	NiGap	2.00	14.1	4	40%	14%	14	14
29%	22	WolGap	3.40	15.3	180%	22%	22%	22%	22%

31	22%	NiaMar	1.60	15.8	60%	24	34	+
39	23	NiaMar	3.90	15.5	50%	25%	25%	+
41	30%	NiaMar	4.82	15.4	100%	31	21	+
43%	35	NiaMar	5.25	14.4	250%	36	36	+
44%	39	NiaMar	6.10	15.3	90%	40	40	+
46%	49	NiaMar	7.72	15.4	500%	50	49	+
27%	17%	NiaSho	2.23%	12.4	40	17%	17%	+
22%	11%	NiaCol	3.46	17	9%	13%	13%	+
34%	24%	NiaCOR	3.64	11.3	110	27%	26%	+
36%	13%	NiaMar	1.12	7	30	382%	17%	14%

15%	20%	NRtKo	2.20	8.1	36	53	52%	50%	+
30%	30%	NRst	2.20	7.8	34	31%	31%	31%	+
30%	30%	NRCo	1.08	2.9	216	13%	12%	13	+
50%	34%	NRCo	1.08	2.9	52x	49%	49%	49%	+
50%	30%	NAPt	1.50	10.1	97	30%	30%	30%	+
21%	18%	NEuro	1.50	10.1	53	33%	33%	33%	+
13%	10%	NStoUI	1.40	13.5	85x	12%	10%	11	+
15%	15%	NIndPs	1.34	12.0	40	32%	32%	32%	+
40%	22	NRStPv	1.34	8.5	4	32%	32%	32%	+
34	29	NRStPv	1.40	12.2	202	30%	29%	29%	+
39	22	NRStPv	1.40	12.2	202	30%	29%	29%	+

[illegible]

22%	3%	Oakland		324	2%	3%	3%
35%	2%	Oakland	2.50	3178	32%	31%	32%
17	14	Oakland					

28%	35%	Occip	pt	2.15	4.3	1	18%	18%	14%
23%	18%	Occip	pt	2.00	4.5	2	90%	94%	50%
20%	14%	Occip	pt	2.12	18.5	28	23%	23%	23%
22%	17	Occip	pt	2.30	10.5	38	20%	20%	20%
112%	103%	Occip	pt	1.52	13.9	2014	111%	111%	21%
108%	99%	Occip	pt	1.60	13.4	3	107%	111%	111%
34%	23	OEDCO		1.00	3.2	15	194	31%	107%
34%	24%	Oeden		1.80	4.6	10	20	30%	21
14%	9%	OhioEd		1.84	15.1	5	247	26%	24%
							11%	11%	11%

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the last trading day. Where a split or stock dividend amounting to 1 percent or more has been paid, the year's high-low range is adjusted.

a — dividend also extra!.  
 b — annual rate of dividend plus stock dividend.  
 c — fluctuating dividend.  
 d — called.  
 e — new yearly law.  
 f — dividend declared or paid in preceding 12 months.  
 g — dividend in Canadian funds, subject in 3/2 months.

1—dividend declared after split-up or stock dividend,  
2—dividend paid this year, omitted, deferred, or no act-  
taken at latest dividend meeting,  
3—dividend declared or paid this year, on accumulated  
issue with dividends in arrears,  
4—new issue in the past 52 weeks. The high-low range be-  
with the start of trading,  
nd—next day delivery,  
P/E—price-earnings ratio

- r = dividend declared or paid in preceding 12 months, or stock dividend.
- s = stock split. Dividend begins with date of split.
- sls = sales.
- t = dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
- u = new yearly high.
- v = trading halted.
- vi = in bankruptcy or receivership or being reorganized under the Bankruptcy Act.

wd — when distributed,  
 wf — when issued,  
 ww — with warrants,  
 x — ex-dividend or ex-rights,  
 xs — ex-distribution,  
 zw — without warrants,  
 y — ex-dividend and sales in full,  
 yd — yield,  
 z — sales in full

100-443887-100

...were killed in the burning.



Herald Tribune

## BUSINESS/FINANCE

Statistics Index

AMEX prices P.14  
NYSE prices P.10  
Commodity futures P.11  
Interest rates P.13  
Dividends P.12  
Exchange rates P.13  
Other markets P.14

Page 11

U.S. Stocks  
Report, Page 10

SATURDAY-SUNDAY, MAY 26-27, 1984

## ECONOMIC SCENE

Despite Recent Upturn,  
U.S. Steel Firms Stay Wary

By STEVEN GREENHOUSE

New York Times Service

NEW YORK — Even though U.S. steelmakers will break even this quarter — after more than two years of losses — the mood of the 500 executives at the industry's convention in New York City this past week was anything but celebratory. They seemed strangely subdued, still somewhat in shock from the severity of their industry's problems.

Domestic steelmakers have had losses of more than \$6 billion in the past two years, their work force has been slashed to 250,000 from 450,000, and, while many industries are now booming, steel is still struggling.

Although some executives conceded that their failure to modernize and to pare excess capacity more quickly were partly to blame for the industry's plight, all agreed that imports were the main problem.

The steel executives complained that they could not compete profitably with foreign steelmakers, who sell, they said, at about 30 percent, or \$150 a ton, below cost and get their governments to make up the losses. They said that this pricing, which they called illegal, had enabled imports to swell to 25 percent of the U.S. market, from 16 percent just four years ago.

The steelmakers said the traditional approach to controlling imports was not working. Under that approach, domestic steel companies bring unfair-trade suits against foreign steel made with government subsidies or sold below cost. But once the industry wins a suit against a specific product — for example, Brazilian plate — importers scramble to get that product from another country, for example, South Africa.

That second country might also sell its steel below cost, thus setting off another expensive, time-consuming suit. The steelmakers say the fact that imports continue to rise, despite their many trade petitions, is the strongest argument that the trade laws are not working.

In the industry's view, the only solution is across-the-board quotas. Without them, the industry contends, it cannot earn sufficient profits to modernize so that it can compete more effectively. That is why the industry is pressing Congress to establish quotas that would limit imports to 15 percent of domestic consumption for five years. Following a parallel strategy, Bethlehem Steel Corp. and the United Steelworkers union have brought a trade petition that asks President Ronald Reagan to impose similar quotas on the ground that imports are severely injuring the industry.

But the administration says the current trade laws are working and has gone on record as opposed to quotas. It argues that they would push up prices, hurt steel-consuming industries, discourage modernization, violate trade agreements and bring about retaliation.

The pro-quota and anti-quota sides too often are too sure of their own arguments and deaf to the other side's. The people who invoke "free trade" reflexively often ignore the devastation of the nation's steel towns and the illegal behavior in the steel marketplace.

Similarly, many quota supporters too easily forget the advantages of free trade and its importance in furthering the West's prosperity. That so many people on the two sides have closed their ears to the other side is unfortunate inasmuch as some middle ground will have to be found if the imports controversy is to be resolved.

There is no denying that unless the trade laws are changed or enforced in a more effective way, the industry will continue to decline. But it is equally undeniable that quotas will bring retaliation, increase steel prices, and make it still harder for the manufacturers that consume steel to compete with their own foreign competition.

Some people say that as long as the United States can buy steel more cheaply from abroad, then so be it if our steel industry declines. Many of those people also contend that the industry

## CURRENCY RATES

Local interbank rates on May 25, excluding fees.  
Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 p.m. EDT.

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Amsterdam	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Brussels	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
London	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Milan	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
New York	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Paris	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Stockholm	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Switzerland	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Spain	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Sweden	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
West Germany	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Amsterdam	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Brussels	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
London	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Milan	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
New York	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Paris	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Stockholm	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Switzerland	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Spain	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
Sweden	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36
West Germany	3.07	2.25	112.72	36.37	1.36	1.36	1.36	1.36	1.36	1.36

## INTEREST RATES

Eurocurrency Deposits May 25

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
1M	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
3M	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
6M	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
1Y	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Source: Commercial bank of Tokyo, Tokyo.

Lloyds Bank.

Key Money Rates

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Discount Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Federal Funds	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Prime Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Banker's Loan Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Overnight	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

Source: Commercial bank of Tokyo, Tokyo.

Lloyds Bank.

Key Money Rates

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Discount Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Federal Funds	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Prime Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Banker's Loan Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Overnight	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

Source: Commercial bank of Tokyo, Tokyo.

Lloyds Bank.

Key Money Rates

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Discount Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Federal Funds	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Prime Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Banker's Loan Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Overnight	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

Source: Commercial bank of Tokyo, Tokyo.

Lloyds Bank.

Key Money Rates

	\$	£	DM	FF	Y	Sc	Sw	N	Sp	Y
Discount Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Federal Funds	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Prime Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Banker's Loan Rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Overnight	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Treasury bills	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6-month Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1-year Eurodollar	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

U.S. Eases  
Rate-Cap  
OppositionPushes Debt Talks  
By Nations, BanksBy Hobart Rowen  
Washington Post Service

WASHINGTON — A senior Reagan administration official Friday opposed the government's earlier opposition to a "cap" on international interest rates, saying that it was willing to "encourage" discussion between banks and borrowing countries of ways of easing the debt-servicing burden.

A "cap" or ceiling on interest rates was initially proposed two weeks ago by the New York Federal Reserve Bank president, Anthony Solomon, and endorsed by Federal Reserve Chairman Paul A. Volcker as a way of protecting Third World debtors from escalating interest rates.

Because much of Third World debt is on flexible or variable terms, moving with the prime or the London interbank offered rate, each additional point of interest adds about \$3.5 billion to \$4 billion to the annual cost of servicing the total Third World debt.

U.S. may extend loan pledge to Argentina. Page 15.

U.S. Treasury Secretary Donald T. Regan had rejected the Solomon-Volcker idea, telling meetings in Europe last week that "we do not think that these 'new approaches' can provide a universal solution to the debt problems." Mr. Regan said the administration would stick to the five-point "International Debt Strategy" evolved at last year's Williamsburg summit, designed to deal with problems by traditional means, and on a case-by-case basis.

The senior administration official who talked to reporters yesterday related that broad theme but added that the strategy could be "strengthened," especially by keeping the rich nations' markets open to the less developed countries, and by persuading the poor countries to make private investments in their countries more welcome.

Asked directly about the cap proposal, or other methods of easing repayment terms for borrowers, the official said:

"We think that it's indeed appropriate for creditors and debtors to be talking about the banks that are loaning the money and the governments that are borrowing the money — to work on innovative processes among themselves for coping with the problem. We obviously have no objection to that. We will not impose... mandates that could slow the process."

"We would encourage the discussion between borrowers and lenders for new techniques to make it possible for the debtor countries to ease their problems."

Observers speculated that the anxiety in financial markets revolving about the stability of the banking system may have induced the shift in tone. But the same senior official said that the rumors concerning Manufacturers Hanover Trust Co. of New York, and other banks, were "unfounded."

Pact on Debts  
Is Signed for  
Ambrosiano

United Press International

GENEVA — Liquidators and creditors of the failed Banco Ambrosiano of Italy signed a \$406-million settlement Friday on the bank's outstanding debts that could soak up half of the liquid assets of the Vatican.

The complex and lengthy settlement was signed by 60 representatives of all involved parties.

Banco Ambrosiano collapsed in 1982 with debts of \$1.3 billion, largely amassed by its president, Roberto Calvi, and was considered the largest and gravest post-World War II banking scandal in Europe.

Bankers involved in the 161-page settlement said the missing indicated representatives of the Vatican, which is to pay \$244 million, or 60 percent, of the amount going to 120 creditor banks. Financial experts said this is nearly half of the estimated \$500 million of the Vatican's liquid assets, which had close links to Ambrosiano but rejects any responsibility for its collapse.

Italian and other financial journals reported that the Vatican Bank, called the Institute for Religious Works, already has liquidated some property and stock holdings to raise cash for its payment.</











Tables include the nationwide prices  
Up to the closing on Wall Street

[illegible]

**Herald Tribune**  
INTERNATIONAL  
Published Every Day Except Sundays and Public Holidays

**Kohl Plans to Urge U.S. Flexibility on East-West Trade**  
By [illegible]  
[illegible]

**Soviet Union Intensifies Its Campaign Against NATO Missile Program.**  
By [illegible]  
[illegible]

**Senate Budget Panel...  
European Request on [illegible]**

To: Subscription  
Manager, International  
Herald Tribune, 181 avenue  
Charles de Gaulle,  
92521 Neuilly Cedex,  
France. Tel.: 747.07.29.  
Tlx: 612832.

Yes, I would like  
to accept your bargain offer.  
Please send me the  
International Herald Tribune  
for the time period and  
at the reduced price circled  
on this coupon.

☐ My payment is enclosed (Check or money order to the IHT).

Please charge my:

☐ Access ☐ American Express ☐ Diners Club ☐ Eurocard ☐ Mastercard ☐ Visa

Card account number:

Card expiry date

My name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Country \_\_\_\_\_

Job/Profession \_\_\_\_\_ Nationality \_\_\_\_\_ Tel. N° \_\_\_\_\_

Company Activity \_\_\_\_\_



Grains	Open	High	Low	Close	Chg.
WHEAT (CBOT)					
1984-85, soft red winter	2.40	2.41	2.39	2.40	+0.01
1984-85, hard red winter	2.35	2.36	2.34	2.35	+0.01
1984-85, soft white	2.30	2.31	2.29	2.30	+0.01
1984-85, hard white	2.25	2.26	2.24	2.25	+0.01
1984-85, soft red spring	2.15	2.16	2.14	2.15	+0.01
1984-85, hard red spring	2.10	2.11	2.09	2.10	+0.01
1984-85, soft white spring	2.05	2.06	2.04	2.05	+0.01
1984-85, hard white spring	2.00	2.01	1.99	2.00	+0.01
1984-85, soft red summer	1.95	1.96	1.94	1.95	+0.01
1984-85, hard red summer	1.90	1.91	1.89	1.90	+0.01
1984-85, soft white summer	1.85	1.86	1.84	1.85	+0.01
1984-85, hard white summer	1.80	1.81	1.79	1.80	+0.01
1984-85, soft red fall	1.75	1.76	1.74	1.75	+0.01
1984-85, hard red fall	1.70	1.71	1.69	1.70	+0.01
1984-85, soft white fall	1.65	1.66	1.64	1.65	+0.01
1984-85, hard white fall	1.60	1.61	1.59	1.60	+0.01
1984-85, soft red winter	1.55	1.56	1.54	1.55	+0.01
1984-85, hard red winter	1.50	1.51	1.49	1.50	+0.01
1984-85, soft white winter	1.45	1.46	1.44	1.45	+0.01
1984-85, hard white winter	1.40	1.41	1.39	1.40	+0.01
1984-85, soft red spring	1.35	1.36	1.34	1.35	+0.01
1984-85, hard red spring	1.30	1.31	1.29	1.30	+0.01
1984-85, soft white spring	1.25	1.26	1.24	1.25	+0.01
1984-85, hard white spring	1.20	1.21	1.19	1.20	+0.01
1984-85, soft red summer	1.15	1.16	1.14	1.15	+0.01
1984-85, hard red summer	1.10	1.11	1.09	1.10	+0.01
1984-85, soft white summer	1.05	1.06	1.04	1.05	+0.01
1984-85, hard white summer	1.00	1.01	0.99	1.00	+0.01
1984-85, soft red fall	0.95	0.96	0.94	0.95	+0.01
1984-85, hard red fall	0.90	0.91	0.89	0.90	+0.01
1984-85, soft white fall	0.85	0.86	0.84	0.85	+0.01
1984-85, hard white fall	0.80	0.81	0.79	0.80	+0.01
1984-85, soft red winter	0.75	0.76	0.74	0.75	+0.01
1984-85, hard red winter	0.70	0.71	0.69	0.70	+0.01
1984-85, soft white winter	0.65	0.66	0.64	0.65	+0.01
1984-85, hard white winter	0.60	0.61	0.59	0.60	+0.01
1984-85, soft red spring	0.55	0.56	0.54	0.55	+0.01
1984-85, hard red spring	0.50	0.51	0.49	0.50	+0.01
1984-85, soft white spring	0.45	0.46	0.44	0.45	+0.01
1984-85, hard white spring	0.40	0.41	0.39	0.40	+0.01
1984-85, soft red summer	0.35	0.36	0.34	0.35	+0.01
1984-85, hard red summer	0.30	0.31	0.29	0.30	+0.01
1984-85, soft white summer	0.25	0.26	0.24	0.25	+0.01
1984-85, hard white summer	0.20	0.21	0.19	0.20	+0.01
1984-85, soft red fall	0.15	0.16	0.14	0.15	+0.01
1984-85, hard red fall	0.10	0.11	0.09	0.10	+0.01
1984-85, soft white fall	0.05	0.06	0.04	0.05	+0.01
1984-85, hard white fall	0.00	0.01	-0.01	0.00	+0.01

Livestock	Open	High	Low	Close	Chg.
CATTLE (CBOT)					
1984-85, steer	1.10	1.11	1.09	1.10	+0.01
1984-85, heifer	1.05	1.06	1.04	1.05	+0.01
1984-85, cow	1.00	1.01	0.99	1.00	+0.01
1984-85, bull	0.95	0.96	0.94	0.95	+0.01
1984-85, yearling	0.90	0.91	0.89	0.90	+0.01
1984-85, calf	0.85	0.86	0.84	0.85	+0.01
1984-85, lamb	0.80	0.81	0.79	0.80	+0.01
1984-85, pig	0.75	0.76	0.74	0.75	+0.01
1984-85, turkey	0.70	0.71	0.69	0.70	+0.01
1984-85, chicken	0.65	0.66	0.64	0.65	+0.01
1984-85, duck	0.60	0.61	0.59	0.60	+0.01
1984-85, goose	0.55	0.56	0.54	0.55	+0.01
1984-85, rabbit	0.50	0.51	0.49	0.50	+0.01
1984-85, squirrel	0.45	0.46	0.44	0.45	+0.01
1984-85, chipmunk	0.40	0.41	0.39	0.40	+0.01
1984-85, chipmunk	0.35	0.36	0.34	0.35	+0.01
1984-85, chipmunk	0.30	0.31	0.29	0.30	+0.01
1984-85, chipmunk	0.25	0.26	0.24	0.25	+0.01
1984-85, chipmunk	0.20	0.21	0.19	0.20	+0.01
1984-85, chipmunk	0.15	0.16	0.14	0.15	+0.01
1984-85, chipmunk	0.10	0.11	0.09	0.10	+0.01
1984-85, chipmunk	0.05	0.06	0.04	0.05	+0.01
1984-85, chipmunk	0.00	0.01	-0.01	0.00	+0.01

Food	Open	High	Low	Close	Chg.
COFFEE (NYMEX)					
1984-85, Arabica	1.10	1.11	1.09	1.10	+0.01
1984-85, Robusta	1.05	1.06	1.04	1.05	+0.01
1984-85, Soybean Meal	1.00	1.01	0.99	1.00	+0.01
1984-85, Soybean Oil	0.95	0.96	0.94	0.95	+0.01
1984-85, Corn Meal	0.90	0.91	0.89	0.90	+0.01
1984-85, Wheat Meal	0.85	0.86	0.84	0.85	+0.01
1984-85, Rice	0.80	0.81	0.79	0.80	+0.01
1984-85, Sugar	0.75	0.76	0.74	0.75	+0.01
1984-85, Cocoa	0.70	0.71	0.69	0.70	+0.01
1984-85, Peanut Oil	0.65	0.66	0.64	0.65	+0.01
1984-85, Sesame Oil	0.60	0.61	0.59	0.60	+0.01
1984-85, Sunflower Oil	0.55	0.56	0.54	0.55	+0.01
1984-85, Canola Oil	0.50	0.51	0.49	0.50	+0.01
1984-85, Olive Oil	0.45	0.46	0.44	0.45	+0.01
1984-85, Palm Oil	0.40	0.41	0.39	0.40	+0.01
1984-85, Coconut Oil	0.35	0.36	0.34	0.35	+0.01
1984-85, Castor Oil	0.30	0.31	0.29	0.30	+0.01
1984-85, Linseed Oil	0.25	0.26	0.24	0.25	+0.01
1984-85, Flaxseed Oil	0.20	0.21	0.19	0.20	+0.01
1984-85, Hempseed Oil	0.15	0.16	0.14	0.15	+0.01
1984-85, Jojoba Oil	0.10	0.11	0.09	0.10	+0.01
1984-85, Camelina Oil	0.05	0.06	0.04	0.05	+0.01
1984-85, Rapeseed Oil	0.00	0.01	-0.01	0.00	+0.01

U.S. Futures May 25	Open	High	Low	Close	Chg.
SOYBEAN MEAL (CBOT)					
1984-85, soybean meal	1.10	1.11	1.09	1.10	+0.01
1984-85, soybean oil	1.05	1.06	1.04	1.05	+0.01
1984-85, corn meal	1.00	1.01	0.99	1.00	+0.01
1984-85, wheat meal	0.95	0.96	0.94	0.95	+0.01
1984-85, rice	0.90	0.91	0.89	0.90	+0.01
1984-85, sugar	0.85	0.86	0.84	0.85	+0.01
1984-85, cocoa	0.80	0.81	0.79	0.80	+0.01
1984-85, peanut oil	0.75	0.76	0.74	0.75	+0.01
1984-85, sesame oil	0.70	0.71	0.69	0.70	+0.01
1984-85, sunflower oil	0.65	0.66	0.64	0.65	+0.01
1984-85, canola oil	0.60	0.61	0.59	0.60	+0.01
1984-85, olive oil	0.55	0.56	0.54	0.55	+0.01
1984-85, palm oil	0.50	0.51	0.49	0.50	+0.01
1984-85, coconut oil	0.45	0.46	0.44	0.45	+0.01
1984-85, castor oil	0.40	0.41	0.39	0.40	+0.01
1984-85, linseed oil	0.35	0.36	0.34	0.35	+0.01
1984-85, flaxseed oil	0.30	0.31	0.29	0.30	+0.01
1984-85, hempseed oil	0.25	0.26	0.24	0.25	+0.01
1984-85, jojoba oil	0.20	0.21	0.19	0.20	+0.01
1984-85, camelina oil	0.15	0.16	0.14	0.15	+0.01
1984-85, rapeseed oil	0.10	0.11	0.09	0.10	+0.01
1984-85, rapeseed oil	0.05	0.06	0.04	0.05	+0.01
1984-85, rapeseed oil	0.00	0.01	-0.01	0.00	+0.01

Financial	Open	High	Low	Close	Chg.
U.S. TREASURY BOND (CBOT)					
1984-85, U.S. Treasury Bond	1.10	1.11	1.09	1.10	+0.01
1984-85, U.S. Treasury Note	1.05	1.06	1.04	1.05	+0.01
1984-85, U.S. Treasury Bill	1.00	1.01	0.99	1.00	+0.01
1984-85, U.S. Treasury Inflation	0.95	0.96	0.94	0.95	+0.01
1984-85, U.S. Treasury Money	0.90	0.91	0.89	0.90	+0.01
1984-85, U.S. Treasury Cash	0.85	0.86	0.84	0.85	+0.01
1984-85, U.S. Treasury Bond	0.80	0.81	0.79	0.80	+0.01
1984-85, U.S. Treasury Note	0.75	0.76	0.74	0.75	+0.01
1984-85, U.S. Treasury Bill	0.70	0.71	0.69	0.70	+0.01
1984-85, U.S. Treasury Inflation	0.65	0.66	0.64	0.65	+0.01
1984-85, U.S. Treasury Money	0.60	0.61	0.59	0.60	+0.01
1984-85, U.S. Treasury Cash	0.55	0.56	0.54	0.55	+0.01
1984-85, U.S. Treasury Bond	0.50	0.51	0.49	0.50	+0.01
1984-85, U.S. Treasury Note	0.45	0.46	0.44	0.45	+0.01
1984-85, U.S. Treasury Bill	0.40	0.41	0.39	0.40	+0.01
1984-85, U.S. Treasury Inflation	0.35	0.36	0.34	0.35	+0.01
1984-85, U.S. Treasury Money	0.30	0.31	0.29	0.30	+0.01
1984-85, U.S. Treasury Cash	0.25	0.26	0.24	0.25	+0.01
1984-85, U.S. Treasury Bond	0.20	0.21	0.19	0.20	+0.01
1984-85, U.S. Treasury Note	0.15	0.16	0.14	0.15	+0.01
1984-85, U.S. Treasury Bill	0.10	0.11	0.09	0.10	+0.01
1984-85, U.S. Treasury Inflation	0.05	0.06	0.04	0.05	+0.01
1984-85, U.S. Treasury Money	0.00	0.01	-0.01	0.00	+0.01

Commodity	Open	High	Low	Close	Chg.
COFFEE (NYMEX)					
1984-85, Arabica	1.10	1.11	1.09	1.10	+0.01
1984-85, Robusta	1.05	1.06	1.04	1.05	+0.01
1984-85, Soybean Meal	1.00	1.01	0.99	1.00	+0.01
1984-85, Soybean Oil	0.95	0.96	0.94	0.95	+0.01
1984-85, Corn Meal	0.90	0.91	0.89	0.90	+0.01
1984-85, Wheat Meal	0.85	0.86	0.84	0.85	+0.01
1984-85, Rice	0.80	0.81	0.79	0.80	+0.01
1984-85, Sugar	0.75	0.76	0.74	0.75	+0.01
1984-85, Cocoa	0.70	0.71	0.69	0.70	+0.01
1984-85, Peanut Oil	0.65	0.66	0.64	0.65	+0.01
1984-85, Sesame Oil	0.60	0.61	0.59	0.60	+0.01
1984-85, Sunflower Oil	0.55	0.56	0.54	0.55	+0.01
1984-85, Canola Oil	0.50	0.51	0.49	0.50	+0.01
1984-85, Olive Oil	0.45	0.46	0.44	0.45	+0.01
1984-85, Palm Oil	0.40	0.41	0.39	0.40	+0.01
1984-85, Coconut Oil	0.35	0.36	0.34	0.35	+0.01
1984-85, Castor Oil	0.30	0.31	0.29	0.30	+0.01
1984-85, Linseed Oil	0.25	0.26	0.24	0.25	+0.01
1984-85, Flaxseed Oil	0.20	0.21	0.19	0.20	+0.01
1984-85, Hempseed Oil	0.15	0.16	0.14	0.15	+0.01
1984-85, Jojoba Oil	0.10	0.11	0.09	0.10	+0.01
1984-85, Camelina Oil	0.05	0.06	0.04	0.05	+0.01
1984-85, Rapeseed Oil	0.00	0.01	-0.01	0.00	+0.01

High	Season Low	Open	High	Low	Close	Chg.
CANADIAN DOLLAR (1000)						
51.67	57.70	Jun 57.20	57.48	57.20	57.22	+4
51.69	57.70	Jun 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48	57.20	57.22	+4
51.67	57.70	Dec 57.20	57.48			











